

CONSERVATION FINANCE FEASIBILITY STUDY (DRAFT) | AUGUST 2016

CITY OF FRESNO, CALIFORNIA



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MAYOR ASHLEY SWEARENGIN

February 26, 2016

Ms. Amanda Brown-Stevens, Director, Conservation Finance
The Trust for Public Land
101 Montgomery Street, Suite 900
San Francisco, California 94104

Dear Ms. Brown-Stevens:

By this letter, the *City of Fresno, Office of the Mayor* officially requests technical advice and assistance from your organization in connection with our efforts to develop a program to finance land conservation, trails, parks, and a potential related ballot measure. As part of your advice and assistance, I understand you may conduct public opinion research, study local laws and recent elections, and evaluate the feasibility of acquisition, in fee or through conservation easements, of key properties.

We are interested not only in the factual information that you can provide to us, but also your organization's opinions and recommendations on public funding measures available to us and strategies to enact such measures. That would include understanding the public's priorities and attitudes regarding land conservation and other issues currently facing the *City of Fresno* and how the public would respond to different methods of presenting those issues. Although your submissions will be directed to Mayor Ashley Swearengin's attention, I understand that your responses to this request will be for the general use of the *City of Fresno*.

This request will continue in effect for any advice you offer or presentations you submit related to such matters. In addition, we would like to take this opportunity to request that you continue to be available to provide technical advice and assistance in this area and on related matters in the future.

Thank you for your organization's contribution to the work of the City of Fresno.

Sincerely,

A handwritten signature in blue ink that reads "Ashley Swearengin".

Ashley Swearengin
Mayor

City of Fresno
2600 Fresno Street • Fresno, California 93721 • (559) 621-8000 • Fax (559) 621-7990 •
www.fresno.gov

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Disclaimer: This feasibility study is not a legal document and should not be relied upon as a legal opinion.

INTRODUCTION

The Trust for Public Land (TPL) is a national nonprofit organization dedicated to conserving land for people to enjoy as parks, gardens, and natural areas. Since 1972, TPL has conserved more than three millions acres nationwide. To help state agencies and local governments acquire land and create and improve parks, TPL assists communities in identifying and securing public financing. TPL's Conservation Finance program offers technical assistance to elected officials, public agencies and community groups to design, pass and implement public funding measures that reflect popular priorities.

Since 1996, TPL has been involved in nearly 500 successful ballot measures and twenty successful legislative campaigns that have created more than \$59 billion in new funding for parks, land conservation, and restoration. Voters have approved 81 percent of the ballot measures supported by The Trust for Public Land.

In California, TPL works to plan, fund, protect, and create to craft customized solutions to local parks and conservation challenges. TPL has assisted with statewide ballot measures to generate funding for parks, wildlife habitat and water, including Propositions 40, 50 and 84. Most recently, TPL assisted with the 2014 water bond measure. At the local level, TPL has provided technical assistance and planning services to cities and counties.

In Fresno County, TPL completed 11 land protection projects that help protect land for people. This includes an expansion of the San Joaquin River Parkway between the river and Highway 41, in collaboration with the San Joaquin River Conservancy and San Joaquin River Parkway Trust, in 2003.¹

In February, the City of Fresno, Office of the Mayor asked The Trust for Public Land to explore public funding options available for park improvements and enhancing park access in the city. This study presents several viable local public options for funding parks; and provides analysis of which local options and funding levels are feasible, economically prudent, and likely to be publicly acceptable. This research provides a stand-alone, fact-based reference document that can be used to evaluate financing mechanisms from an objective vantage point.²

¹ "San Joaquin River Parkway Grows (CA)." The Trust for Public Land. November 12, 2003. Accessed July 18, 2016. <https://www.tpl.org/media-room/san-joaquin-river-parkway-grows-ca>

² The contents of this report are based on the best available information at the time of research and drafting. April – July 2016.

EXECUTIVE SUMMARY

The Trust for Public Land is undertaking feasibility analysis to explore funding options in the City of Fresno to address the need to create reliable funding for parks improvements and enhancing park access. The report primarily investigates the authority and revenue capacity of the city to raise funds for park improvements and enhanced park access. A summary of these options is presented in Appendix A. As voter approval would be required to implement a public finance measure, this report also explores election history. This information plays an important role in informing the city, TPL and its partners as they design a parks, trails and land conservation measure for the city. In order to understand what would be an appropriate funding source, appendices B through D of this report briefly delve into the city's background for a general overview of its land, people, parks, economy and the growth trends that have shaped it in recent years.

Many opportunities exist to fund park improvements and enhanced park access in the City of Fresno. The most feasible or commonly used funding mechanisms are summarized below, and are presented in no particular order.

1. Bonds. Two-thirds of the electorate must approve issuance of general obligation bonds. A \$40 million bond would cost the average homeowner in Fresno \$18 per year. Revenue could not be used for operations and maintenance
2. Parcel Tax. Two-thirds of city voters must approve the tax. A \$15 per parcel tax would generate about \$2 million a year and cost the average homeowner \$15 per year. Voters could also approve a per square foot parcel tax. Revenue could be used for operations and maintenance.
3. Transactions (Sales) and Use Tax. Two-thirds of city voters must approve a tax for specific purposes, and a simple majority of city voters must approve a general tax. A 0.125 percent sales tax increase would generate approximately \$13.6 million annually cost the average homeowner \$13 a year, or just over \$1 a month. Revenue could be used for operations and maintenance.
4. Charter Amendment. Voters could consider a charter amendment that instructs the city to allocate a portion of existing property or other taxes to park and open space purposes. This mechanism does not create additional public funds but would secure a certain funding level for parks and open space from existing revenues. Revenue could be used for operations and maintenance.
5. Special District. The city could explore the option of creating a special district in a specific area with the power to impose taxes and/or assessments and to issue bonds for park acquisition subject to voter or landowner approval. Revenue could be used for operations and maintenance.

This feasibility report is meant to inform the city's consideration of new funding for park improvements and enhancing park access by identifying potential funding mechanisms and determining the fiscal capacity and implementation requirements of various approaches. Next steps should include narrowing funding options to those that match the needs identified by the City of Fresno and testing voter attitudes toward a specific set of funding proposals. TPL recommends conducting a public opinion survey that tests ballot language, tax tolerance, and program priorities of voters in the City of Fresno.

REVENUE OPTIONS FOR PARKS

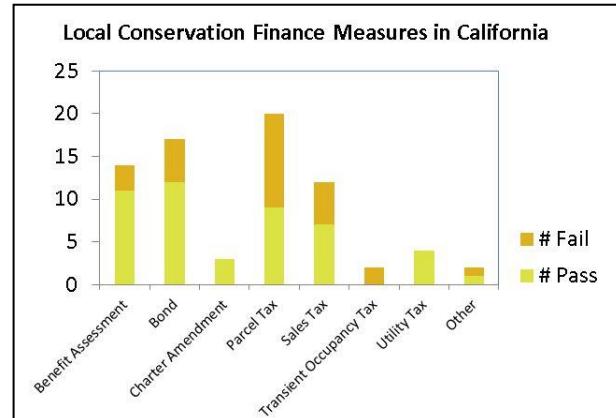
Choosing a Funding Strategy

Generally, there are three primary types of revenue sources available to local governments to pay for parks and land conservation: discretionary annual spending, creation of dedicated funding streams, and debt financing. The financing options utilized by a community will depend on a variety of factors such as taxing capacity, budgetary resources, voter preferences, and political will.

Significant, dedicated funding generally comes from broad-based taxes and/or the issuance of bonded indebtedness, which often require the approval of voters. In TPL's experience, local governments that create funding via the legislative process provide substantially less funding than those that create funding through ballot measures. As elected officials go through the process of making critical budgetary decisions, funding for land conservation often lags behind other public purposes, and frequently less than what voters would support. It is understandably often difficult to raise taxes without an indisputable public mandate for the intended purpose.

The power of conservation finance ballot measures is they provide a tangible means to implement a local government's vision. With their own funding, local governments are better positioned to secure scarce funding from state or federal governments or private philanthropic partners. Having a predictable funding source empowers the city or county to establish long-term conservation priorities that protect the most valuable resources, are geographically distributed, and otherwise meet important community goals and values.

Nationwide, a range of public financing options has been utilized by local jurisdictions to fund parks and open space, including general obligation bonds, the local sales tax, and the property tax. Less frequently used mechanisms have included special assessment districts, real estate transfer taxes, impact fees, utility fees, and income taxes. The ability of local governments to establish dedicated funding sources depends upon state enabling authority. In California, bonds, sales taxes and parcel taxes are among the most common funding mechanisms. Additional information on local public finance is included in Appendix E.



Public Conservation Financing Mechanisms in California

Summary of Local Ballot Measures from 1996 - 2015

Funding Mechanism	# Passed	# Failed	% Passed
Benefit Assessment	11	3	79%
Bond	12	5	71%
Charter Amendment	3	0	100%
Parcel Tax	9	11	45%
Sales Tax	7	5	58%
Transient Occupancy Tax	0	2	0%
Utility Tax	4	0	100%
Other	1	1	50%
Grand Total	47	27	64%

Conservation finance measures are not right for every local government or they might not be the right approach at the moment. Budget appropriations and other revenue sources that can be implemented through the legislative process may well serve as short-term funding options while conservation proponents develop a strategy and cultivate broad support for longer-term finance options.

Roughly 64 percent of local conservation finance measures (47 of 74) on the ballot in California between 1996 and 2015 were approved. Success at the ballot is hampered somewhat in the state by the high approval threshold (two-thirds vote) required for local bond and special tax measures.

The financing options described in the following sections of this report present opportunity for local support of parks, trails and land conservation to the City of Fresno.

As previously mentioned, appendix A contains a chart summarizing the specific options available to the City of Fresno. Appendix E contains an overview of local public finance in California. For a list of land conservation measures in California, see Appendix F to this report. Appendix G contains an overview of types of local government tax levies and Appendix H contains a summary of the approval requirements for local revenue measures. Some of the specific finance options available in the City of Fresno are described below.

Parcel Tax

Background

A parcel tax is a levy on parcels of property and is typically set at some fixed amount per parcel. Parcel taxes cannot be based on a property's value.³

The California Taxpayers Association identified the two most common types of parcels taxes as “fixed amount flat rate” and “fixed amount square footage” – both are described in more detail below. Parcel taxes are generally based upon the use, size and/or number of units on each parcel. Generally, state law requires that parcel taxes apply uniformly to all types of property, but some jurisdictions are levying taxes that violate this requirement. Some jurisdictions also include exemptions for parcels owned by seniors, low income households, and taxpayers with disabilities.

Parcel taxes are used to provide various local government and school services. Under Proposition 13, parcel taxes are the only source of locally-controlled, general purpose tax revenue for most special districts, school districts, and community college districts.⁴

Most parcel taxes are flat-rate taxes –that is, the same regardless of the parcel’s size or use. From 2002 to 2012, flat rate taxes represented 86 percent of the 389 parcel taxes proposed by school districts, 51 percent of those proposed by cities, and 75 percent of those proposed by special districts. The median rate was \$96 per parcel. Among cities that enacted flat-rate parcel taxes during this period, the median was \$60 per parcel.

A parcel tax is a special tax and requires two-thirds voter approval for implementation.

³ “A Look at Voter-Approval Requirement for Local Taxes.” Legislative Analyst’s Office – The California Legislature’s Nonpartisan Fiscal and Policy Advisor. March 20, 2014. Accessed June 10, 2016. <http://www.lao.ca.gov/reports/2014/finance/local-taxes/voter-approval-032014.aspx>

⁴ Ibid.

From 2002 to 2012, cities placed 124 parcel tax proposals on the ballot and 59 measures passed – a 48 percent success rate. In comparison, 60 percent of school district measures and 45 percent of special district measures passed.⁵ The median flat-rate parcel tax for cities was \$60. Flat rate taxes represented 51 percent of those proposed by cities. Local governments are not required to include a sunset date for parcel taxes. About one-third of parcel taxes are imposed in perpetuity.

Using a Parcel Tax for Park Improvements and Enhanced Park Access

California municipalities, counties and special districts often use parcel taxes to generate funding for parks and land conservation. Since 1990, nine communities have passed a parcel tax for land conservation and open space purposes.

In June 2016, voters in the nine San Francisco Bay Area counties – Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma – approved a \$12 per year per parcel tax to fund efforts for restoration efforts in the San Francisco Bay. This first of its kind measure is expected to generate \$500 million over 25 years.

In 2014, voters in the Santa Clara County Open Space Authority approved a \$24 per parcel tax for 15 years to improve parks, open spaces and trails and to protect land, water quality and wildlife habitat. In 2012, voters in the Santa Monica Mountains Recreation and Conservation Authority approved a \$24 per parcel tax. In 2005, voters in the Marinwood Community Services District in Marin County approved a proposal to increase their parcel fee by \$75 to \$150 to support parks and open space.

Voters in Los Angeles County will decide on a parcel tax measure to fund parks on November 8, 2016. County voters narrowly rejected a parcel tax for parks in 2014.

In the early 2000s, voters in the California cities of Davis, Monrovia, San Carlos, and Santa Monica each approved parcel tax measures to fund the protection of open space. California counties and special districts, including the Marin County Open Space District, Sacramento County, Santa Clara County Open Space Authority and Mountains Recreation and Conservation Authority, also approved parcel tax measures to fund the protection of open space.

Voters also approve parcel tax measures to exclusively support park development and maintenance. Between 2008 and 2015, the time period for which extensive data is readily available, voters approved more than 15 parcel tax measures for parks and recreation purposes. These include cities such as Davis, Wildomar, Carmichael, Clayton and Berkeley.

The proceeds of a parcel tax may be used for multiple purposes, as long as such purposes are described in the ballot measure.

Appendix I contains examples of successful ballot language for park and conservation city parcel tax measures.

⁵ Sonstelle, Jon. *Parcel Taxes as a Local Revenue Source in California*. Public Policy Institute of California. April 2015, 4.

Considerations for a Parcel Tax

Considerations with regard to landowner equity exist for each of these parcel tax structures. A common criticism of the parcel tax is that fixed rates result in a regressive tax that disproportionately burden residents who can least afford to pay.

A flat per parcel tax would result in the same charge to every parcel, regardless of size or value. For example, a multimillion dollar home would pay the same amount as a parcel so small that it cannot be utilized. While a parcel tax based on square footage ameliorates the disparity somewhat by imposing a greater cost for larger parcels – presumably wealthier homeowners tend to live on larger parcels – the model may place unfair burden on large parcels of little value. A tax with a relatively low annual cost could help to minimize these potential disparities.

The most straightforward solution to address equity concerns, basing the tax on the value of land or allowing different tax rates according to land use, is prohibited by California law. A tax on property value is prohibited by Proposition 13 and the application of state laws requiring uniformity in taxation to all taxpayers or all real property within a jurisdiction is unclear.

Using the Parcel Tax for Park Improvements and Enhanced Park Access in the City of Fresno

There are two primary options for the City of Fresno when considering a parcel tax. Each is described below.

Flat per parcel tax

Based on the number of taxable parcels in the City of Fresno (135,651), a relatively small parcel tax levied citywide would produce considerable annual revenue. For example, a flat \$15 per parcel tax would generate roughly \$2 million in annual revenue.⁶ The chart to the right details various hypothetical rates.

Square-footage tax

Alternatively, a special parcel tax could be levied as a fixed amount per square footage. In order to provide estimates of potential revenue and homeowner cost, The Trust for Public Land would need additional data on the total square footage of taxable property in the city as well as the average square footage for a single family residential property.⁷

Estimated Revenues and Costs of a Flat Parcel Tax	
Fresno, CA	
Charge Per Parcel/ Annual Cost to Average Homeowner	Annual Revenue
\$5	\$678,255
\$10	\$1,356,510
\$15	\$2,034,765
\$20	\$2,713,020
\$25	\$3,391,275
\$30	\$4,069,530
\$40	\$5,426,040
\$50	\$6,782,550

Number of parcels provided by Michael Lima, City of Fresno Finance Director/Controller.

Process for Implementation

A city, county or special district contemplating a special tax levy must hold a noticed public hearing and adopt an ordinance or resolution prior to placing the tax on the ballot. The ordinance or resolution must specify the purpose of the tax, the rate at which it will be imposed, the method of collection, and the date of the election to approve the tax levy. Approval by a two-thirds vote of the city electorate is necessary for adoption.

⁶ Note, these figures are estimates.

⁷ The Trust for Public Land attempted to calculate per- square foot estimates in June 2016, but was unable to develop a reliable estimate.

An ordinance must be approved by at least four city council members.⁸ Generally, ordinances may not be adopted by the Council within five days of when they are introduced or altered after introduction.⁹ The Mayor holds veto power over all legislative actions of the city council.¹⁰ Generally, five city council votes are needed to override a mayoral veto.¹¹

At least 88 days prior to the date of the election, the city council must call for an election and set forth the exact form of any question, proposition, or office to be voted upon at the election, as it is to appear on the ballot.¹²

A parcel tax election must be conducted on any established election dates, which include June and November of each year, in April of even-numbered years, In March of odd-numbered years, and in February of each presidential election year.

A local tax measure may be proposed via a local voter initiative. This process is explained further in the report, in the section entitled “Initiative and Referendum.”

Examples

Davis

In Davis (Yolo County), voters in 2012 passed a Park Maintenance Tax and Open Space Protection Tax with 84 percent of the vote. The tax was a continuation of an existing parcel tax. Voters previously approved the \$49 per residential parcel tax in 2000 and 2006. According to documents and reports prepared surrounding the 2012 extension, the tax generated approximately \$1.37 million annually and accounted for about 25 percent of the money the city dedicates to maintaining parks.¹³

Qualified low-income homeowners may receive a full refund of the Davis Park Maintenance Tax and Open Space Protection Tax. This is an annual refund program, not an exemption from the tax that appears on a property tax bill.¹⁴

Los Angeles County

On November 8, 2016, Los Angeles County voters will decide on a measure to impose a parcel tax to generate dedicated funding for park projects. If approved, it would generate about \$95 million annually. The tax would impose a 1.5-cent levy per square foot of building area and would cost a 1,500 square foot house about \$22.50 a year. County officials commissioned a parks needs assessment across the county, which found large disparities in park access across the county.¹⁵ The project represented an unprecedented effort to document existing parks and recreation facilities in cities and unincorporated communities and to use these data to determine the scope, scale, and

⁸ City of Fresno Charter Article VI Sec. 601.

⁹ City of Fresno Charter Article VI Sec 600.

¹⁰ City of Fresno Charter Article VI Section 605

¹¹ City of Fresno Charter Article VI Sec 609.

¹² California Elections Code 10403

¹³ Sakash, Tom. “Davis voters to decide fate of parks tax.” *The Davis Enterprise*. April 27, 2012. Accessed July 18, 2016.

<http://www.davisenterprise.com/local-news/city/davis-voters-to-decide-fate-of-parks-tax/>

¹⁴ Local governments sometimes utilize the —Measure A and B approach. In this case, the local agency places two measures before the voters: Measure A – a general tax and Measure B – an advisory measure requesting the local legislative body use funds raised by Measure A for a specific purpose. It is important to remember that while this approach may help garner voter support, the advisory measure is not legally binding.

¹⁵ Sewell, Abby. “L.A. County voters to decide on parks tax, possible homeless tax in November.” *Los Angeles Times*. July 5, 2016. Accessed July 12, 2016.

location of park need in Los Angeles County. The needs assessment will help local officials, park agencies, and residents understand the future steps that need to be taken to ensure all communities have adequate access to thriving parks.¹⁶ The November 2016 measure reflects many of the important findings of the needs assessment.¹⁷

Bonds

To raise funds for capital improvements, such as land acquisition or building construction, counties, cities and districts may issue bonds.¹⁸ In California, the major types of bonds include: (1) general obligation (“GO”) bonds, which are guaranteed by the local taxing authority; (2) revenue bonds that are paid by project-generated revenue or dedicated revenue stream such as a particular tax or fee, and (3) limited tax bonds, which are paid by voter-approved transactions and use tax revenue. Generally, bond proceeds are limited to capital projects and may not be used for operations and maintenance purposes.¹⁹

In California, general obligation bonds are repaid with proceeds from ad valorem property taxes. These are calculated based on the assessed value of land and improvements. Voters do not approve a fixed tax rate for general obligation bond indebtedness. Instead, the rate adjusts annually so that it raises the amount of money needed to pay the bond costs.²⁰ Voter-approved general obligation bonds provide the lowest cost of bond types and provide a new and dedicated revenue source in the form of additional ad valorem taxes to pay debt service. The issuance of a GO bond must be approved by a two-thirds majority of those voting on the bond proposition.²¹ The use of bond proceeds is limited to the acquisition and improvement of real property.²² Statewide, the average property tax bill includes voter-approved debt rates that total about one-tenth of one percent of assessed value.²³

This report will examine general obligation bonds only.

Debt and Property Tax in the City of Fresno

As previously mentioned, a detailed exploration of the City of Fresno’s budget and fiscal health is included in Appendix D. This section focuses solely on debt as it applies to voter-approved general obligation bonds.

As of March 31, 2016, the City of Fresno has no voter-approved debt. The City of Fresno has never had total debt outstanding of greater than \$1 billion.

¹⁶ “Executive Summary of the Los Angeles Countywide Comprehensive Parks & Recreation Needs Assessment.” Los Angeles County Department of Parks & Recreation. May 3, 2016. Accessed August 4, 2016. <http://lacoountyparkneeds.org/wp-content/uploads/2016/05/Executive-Summary.pdf>

¹⁷ “Los Angeles Countywide Comprehensive Parks & Recreation Needs Assessment.” Accessed August 4, 2016. [Lacoountyparkneeds.org](http://lacoountyparkneeds.org)

¹⁸ Cal. Public Resources Code §5305.

¹⁹ Federal government rules governing the issuance of tax-exempt bonds limit the use of proceeds to capital purposes such that only a small fraction of bond funds may be used for maintenance or operations of facilities. State and local laws may further limit the use of bond proceeds.

²⁰ <http://www.lao.ca.gov/reports/2012/tax/property-tax-primer-112912.aspx>

²¹ California State Constitution, Article 16 – Public Finance, Section 18

²² California State Constitution, Article 16 – Public Finance, Section 16(c)

²³ <http://www.lao.ca.gov/reports/2012/tax/property-tax-primer-112912.aspx>

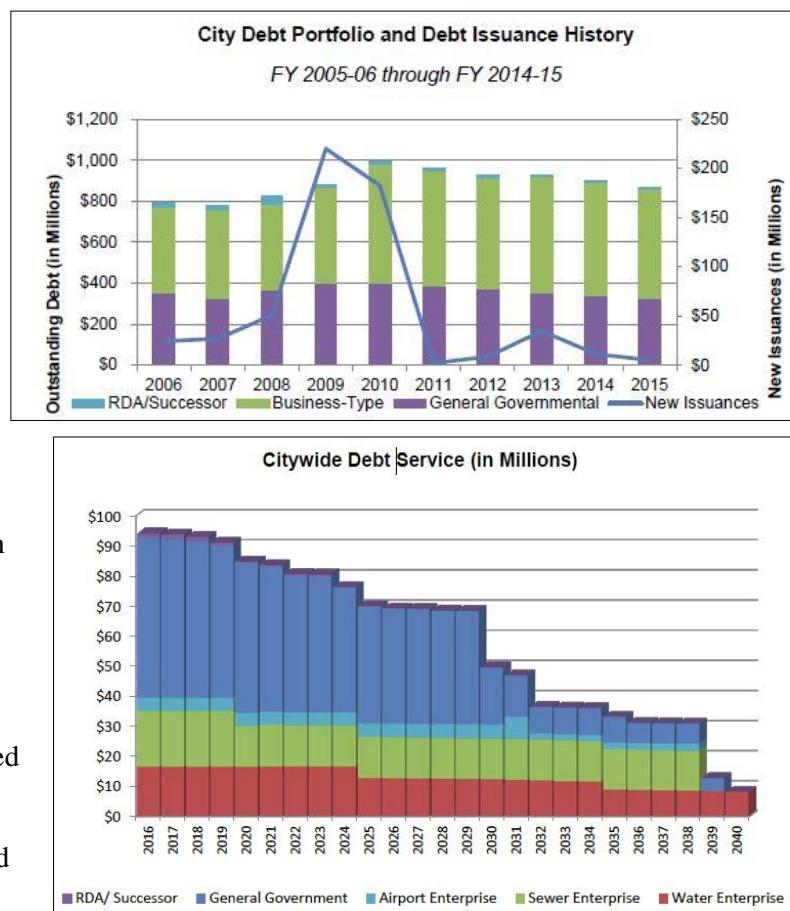
The debt limit is 20 percent of assessed value, pursuant to the city charter. For FY15, the assessed value is \$30,083,476,000 and the debt limit is \$6,016,695,000.²⁴²⁵ As Fresno has no general obligation debt outstanding, the debt limit is equal to the legal debt margin.²⁶

The 2015-2016 Adopted Budget stated that the city realizes that it cannot currently support debt of that magnitude with its current tax base and is very cautious about issuing general obligation debt.

A voter-approved bond issue would be repaid with a corresponding property tax increase. Property subject to general property taxation in Fresno County is assessed at its full cash value. The tax rate in Fresno is approximately 1.1 percent. The rate for specific properties varies and is based on the Tax Rate Area in which the property is located.²⁷²⁸

The City of Fresno maintains the following three debt performance indicators:

- Net direct debt (tax-supported General Fund debt, net of self-supporting and revenue anticipation debt) to assessed value shall not exceed three percent
- Percentage of principal on net direct debt Retired in ten years shall average 35 percent and 40 percent within 15 years; and
- Net direct debt as a percentage of General Fund appropriation shall be less than 10 percent



Using Bonds for Park Improvements and Enhanced Park Access

The City of Fresno could generate substantial funds for park improvements and enhanced park access at a relatively low cost to taxpayers by issuing bonds. The subsequent table illustrates the estimated annual debt service, required property tax increase, and annual household cost of

²⁴ Fresno City Charter Article XII, Section 1213

²⁵ City of Fresno Fiscal Year 2015 Comprehensive Annual Financial Report, Page 256.

²⁶ Excerpted from City of Fresno 2015-2016 Adopted Budget Page A - 11

²⁷ City of Fresno 2016-2017 Proposed Budget Page D-1.

²⁸ Subject to Section 96.31 of the Revenue and Taxation Code, the City of Fresno is authorized to impose a property tax levy at the rate of 0.032438 per \$100,000 of gross assessed valuation to benefit the Fire and Police Retirement systems.

different G.O. bond issues. For instance, a \$40 million, twenty-year general obligation bond for would require a property tax rate increase of \$0.098 per \$1,000 to meet the annual debt service and cost the average homeowner about \$18 per year, or about five cents per day.

TPL's bond cost calculations provide an estimate of debt service, tax increase, and cost to the average homeowner in the community of potential bond issuances for park improvements and enhanced park access. Assumptions include the

following: the entire debt amount is issued in the first year and payments are equal until maturity; 20-year maturity; and four percent interest rate. Property tax estimates assume that the city would raise property taxes to pay the debt service on bonds; however other revenue streams may be used. The cost per household represents the average annual impact of increased property taxes levied to pay the debt service. The estimates do not take into account growth in the tax base due to new construction and annexation over the life of the bonds. The jurisdiction's officials, financial advisors, bond counsel and underwriters would establish the actual terms of any bond. Typically, bond proceeds are limited to capital projects and may not be used for operations and maintenance purposes.²⁹ ³⁰ The acquisition or development of park lands could result in the future need for additional funds for maintenance and operations.

Appendix J contains examples of successful ballot language for park and conservation city bond measures.

Process for Implementation

The city council must pass a resolution, with a two-thirds majority of all its members, determining that the public interest or necessity demands the acquisition, construction or completion of any municipal improvement.³¹

At any subsequent meeting, the city council must pass an ordinance, with a two-thirds majority vote of all its members, ordering the submission of the proposition of incurring bonded debt. The purpose of the bonded debt must be for the same purpose as set forth in the initial city council resolution.³²

²⁹ Federal IRS rules governing the issuance of tax-exempt bonds limit the use of proceeds to capital purposes such that only a small fraction of bond funds may be used for maintenance or operations of facilities. State and local laws may further limit the use of bond proceeds.

³⁰ The "cost" of a project for a general county purpose includes construction contracts and the cost of engineering, architectural, technical, and legal services, preliminary reports, property valuations, estimates, plans, specifications, notices, acquisition of real and personal property, consequential damages or costs, easements, rights-of-way, supervision, inspection, testing, publications, printing and sale of bonds, interest during the period or estimated period of construction and for twelve months thereafter or for twelve months after the acquisition date, and provisions for contingencies. Iowa 331.441(2)(c)(11)(3).

³¹ California Elections Code §43607.

³² California Elections Code §43608.

Estimated General Obligation Bond Financing Costs - City of Fresno, CA				
Bond Issue	Annual Debt Service	Property Tax Rate Increase	Cost/Year/ \$100k value	Cost/Year/Median Home
\$ 20,000,000.00	\$1,471,635	0.049	\$ 4.55	\$ 8.99
\$ 30,000,000.00	\$2,207,453	0.073	\$ 6.82	\$ 13.49
\$ 40,000,000.00	\$2,943,270	0.098	\$ 9.10	\$ 17.98
\$ 50,000,000.00	\$3,679,088	0.122	\$ 11.37	\$ 22.48
\$ 60,000,000.00	\$4,414,905	0.147	\$ 13.65	\$ 26.97
\$ 70,000,000.00	\$5,150,723	0.171	\$ 15.92	\$ 31.47
\$ 80,000,000.00	\$5,886,540	0.196	\$ 18.20	\$ 35.96

Data provided by Michael Lima, Finance Director/ Controller, and City of Fresno 2015 Comprehensive Annual Financial Report. Average home value is \$190,800. \$7,000 homeowners exemption.

The ordinance must include the following information: the object and purpose of incurring the debt, the estimated cost of the public improvements, the amount of the principal on the indebtedness (which shall not exceed eight percent, and need not be recited if it does not exceed 4.5 percent), the date of the election, the manner of holding the election, and the procedure for voting for or against the proposition.³³ The ordinance shall be published once a day for at least seven days in a newspaper published at least six days a week in the city.³⁴

A two-thirds majority of the votes cast on the proposition is required for passage.³⁵

The city council must pass an ordinance or resolution calling the election at least 88 days prior to the date of the election. At the same time or in conjunction with, the city council must adopt and file a resolution requesting a consolidation of the election with Fresno County. The city council must file this resolution with the Fresno County Board of Supervisors and a copy with the elections officials (County Clerk). The resolution must do all of the following:

- Request that the city election be consolidated with the statewide election
- Set forth the exact form of the question or proposition to be voted upon at the election, as it is to appear on the ballot. The question or proposition to appear on the ballot shall
- Acknowledge that the consolidated election will be held and conducted in the manner prescribed in California Elections Code Section 10418.

A Tax Rate Statement must also be filed by the 88th day before the election.

California law states that when a city planning commission and the legislative body approve a group of municipal projects as constituting a city plan, the legislative body may submit a single bond proposition covering the entire group of improvements.³⁶

If the measure is approved, the city may begin levying the amount necessary to pay principal and interest on the bonds on the next property tax bill.³⁷

A local tax measure may be proposed via a local voter initiative. This process is explained further in the report, in the section entitled “Initiative and Referendum.”

Examples

Oakland

In Oakland, voters approved three bonds for parks and open space in the last 30 years. In 1990, voters approved a \$60 million bond for open space, parks and recreation. In 1996, voters approved a \$45.42 million bond for recreation and parks. In 2002, voters approved a \$198.25 million bond for watershed protection and open space.

³³ California Elections Code §43610

³⁴ California Elections Code §43611

³⁵ California Elections Code §43614

³⁶ California Elections Code §43603

³⁷ “What is a General Obligation Bond?” California Tax Data. Accessed June 24, 2016.

<http://www.californiataxdata.com/pdf/GOBond.pdf>

Martinez

In 2008, voters in Martinez approved a \$30 million bond to make safety improvements to neighborhood parks, playgrounds, sporting fields and a pool – as well as to renovate a library and improved disabled access to parks and libraries. The measure passed with nearly 69 percent support.³⁸

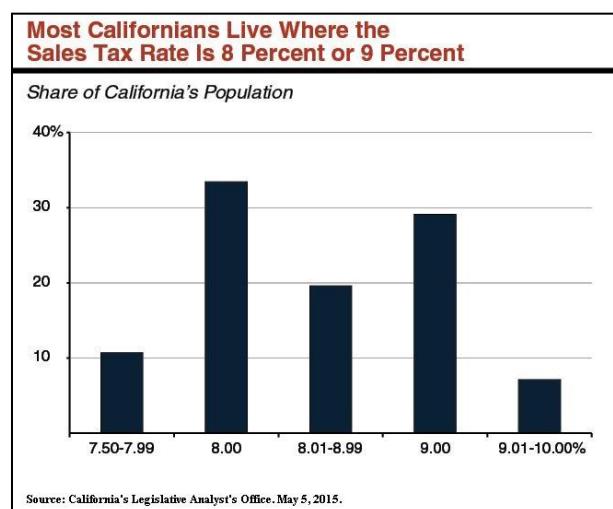
Transaction (Sales) and Use tax

Background

California's state and local governments levy a tax on retail sales of tangible goods. This tax consists of a sales tax on retailers and a use tax on buyers. In 2003, Governor Gray Davis signed SB566, which gave every county and every city authority to seek voter approval of a local transactions and use tax increase under certain conditions.

California has a state-mandated minimum sales tax of 7.50 percent. This consists of a 6.50 percent state sales tax and a uniform 1.0 percent uniform local tax for counties and cities.^{39 40} Many of California's cities, counties, towns and communities have special taxing jurisdictions (districts), which may impose a transactions (sales) and use tax. These districts increase the tax rate in a particular area by adding the district tax to the statewide tax. The rates for these districts range from 0.10 percent to 1.00 percent per district. More than one district tax may be in effect in a given location.⁴¹

The total aggregate sales and use taxes for all taxing entities in Fresno County may not exceed two percent, for a total of 9.50 percent.^{42 43} In recent years, some localities have received permission



Cities with Transactions and Use Taxes
Effective as of 1 October 2016
143 Cities with Approved Transactions and Use Taxes

Rate	0.25%	0.50%	0.75%	0.875%	1.00%	1.50%	1.75%
General/Special	14	75	15	1	34	3	1

Special (Earmarked) Transactions and Use Taxes in Cities
Effective as of 1 Oct 2016 -- 27 Approved Rates in 25 Cities

Rate	0.25%	0.50%	0.75%	1.00%	
Police &/or Fire / EMS	4	9	2	1	16
Streets/Roads/Transit		5		1	6
Hospital/Medical		1			1
Parks/Recreation/OpenSpace		1			1
Libraries	1				1
Community Center		1			1
Wastewater Treatment	1				1
Total	6	17	2	2	27

Source: CaliforniaCityFinance.com

³⁸ <http://www.smartvoter.org/2008/11/04/ca/cc/meas/H/>

³⁹ Cal. Revenue and Taxation Code §6051, §6201; Cal. Const. Art. XIII, Sec. 35.

⁴⁰ Cal. Revenue and Taxation Code §7202(a), §7203 ("the Bradley-Burns Uniform Local Sales and Use Tax Law").

⁴¹ Cal. Revenue and Taxation Code §7202(a), §7203 Food for home consumption and utilities are exempted from sales and use taxes.

⁴² California Revenue and Taxation Code §7251.1. And http://info.sen.ca.gov/pub/bill/sen/sb_0551-0600/sb_566_cfa_20030910_013808_asm_floor.html.

⁴³ Prior to the passage of SB566 in 2003, cities had to first receive legislative approval to impose an additional sales tax.

⁴³ Except for Los Angeles, Alameda and Contra Costa Counties where the maximum may not exceed 2.5 percent

from the state to levy a rate in excess of 9.50 percent. Eight communities currently have a 10 percent sales tax rate. The state's average rate is roughly 8.5 percent.

The proceeds of the sales tax for specific purposes may be used to finance capital outlay expenditures through the issuance of limited tax bonds.

Recent Trends

There are currently 143 cities (not including San Francisco City/County) with voter approved transactions and use tax rates. Although most are general purpose, majority approval rates, twenty-five cities have special purpose, two-thirds approval rates. Greenfield in Monterey County has the highest combination of city rates, 1.75 percent general purpose, including a 1 percent rate originally approved in 2012 and a 0.75 percent additional rate approved in November 2015.

From 1995 through June 2016, 448 proposals for local transactions and use taxes have been submitted to the voters. General taxes (general purposes, majority voter approval) have become more common in recent years. Since 2008, 78 percent (153 of 197) of proposals were general purpose majority vote. From 1995 through 2008, just 45 percent (112 of 251) were general purpose. Prior to the passage of SB566 in 2003, a local agency needed special legislation to propose a transactions and use tax. Most legislation authorized only two-thirds vote special taxes. But general tax proposals are now more common.⁴⁴

California Proposition 30

In November 2012, California voters approved a constitutional amendment that authorizes sales and income tax increases. The amendment temporarily raised the state's portion of sales tax by 0.25 percent for four years, from January 1, 2013 through December 31, 2016. This increase is scheduled to expire at the end of 2016.

Sales Tax in the City of Fresno

The total sales and use tax rate in the City of Fresno is 8.225 percent.⁴⁵ ⁴⁶ ⁴⁷ The City of Fresno's sales tax rate is among the lowest of Central Valley cities and major California cities. There are no voter-approved taxes imposed by the City of Fresno.

Voter-Approved Sales Taxes in Fresno County

Fresno County currently imposes three voter-approved sales taxes totaling 0.725 percent. As such, the sales tax rate throughout much of Fresno County is 8.225 percent. They are described below.

Sales and Use Tax Rates - Major California Cities		
City	Rate	County
Fremont	9.500%	Alameda
Oakland	9.500%	Alameda
Salinas	9.125%	Monterey
Long Beach	9.000%	Los Angeles
Los Angeles	9.000%	Los Angeles
Sacramento	8.500%	Sacramento
San Francisco	8.750%	San Francisco
San Jose	8.750%	Santa Clara
Porterville	8.500%	Tulare
Tulare	8.500%	Tulare
Clovis	8.225%	Fresno
Fresno	8.225%	Fresno
Anaheim	8.000%	Orange
Irvine	8.000%	Orange
San Diego	8.000%	San Diego
Bakersfield	7.500%	Kern

Data provided by California State Board of Equalization as of 4.1.2016.

⁴⁴ Excerpted from: Coleman, Michael. "The Rise of Local Add-on Sales (Transactions and Use) Taxes in California." CaliforniaCityFinance.com July 7, 2016. Accessed July 13, 2016.

⁴⁵ City of Fresno 2016-2017 Proposed Budget Page D-1

⁴⁶ City of Fresno Code of Ordinances Article 3, Section 7-301.

⁴⁷ City of Fresno Code of Ordinances Article 4, Section 7 – 402.

Countywide Transportation Sales and Use Tax

In 1986, Fresno County voters passed Measure C, a half-cent sales tax aimed at improving the overall quality of Fresno County's transportation system, including the County and all 15 cities within the County. In its first 20 years, Measure C delivered more than \$1 billion of improvements to state highways and county roadways, and has helped the building of additional lanes and freeway improvements throughout the County. As a result of the successful original measure, Fresno County voters chose to extend Measure C for an additional 20 years in 2006.

The Measure C Extension (2007-2027) not only funds improvements of local roadways by repairing potholes and paving streets and sidewalks, but also funds ride-share incentive programs and environmental enhancement programs such as replacing the oldest school buses in the state that will lessen the impact of emissions in the Central Valley. The Fresno County Transportation Authority (FCTA) is the entity created by legislation to administer the Measure C program and ensure the revenue is received and distributed appropriately.⁴⁸

Sales and Use Tax Rates - Central Valley Cities		
City	Rate	County
Huron	9.225%	Fresno
Salinas	9.125%	Monterey
Stockton	9.000%	San Joaquin
Sanger	8.975%	Fresno
Reedley	8.725%	Fresno
Selma	8.725%	Fresno
Porterville	8.500%	Tulare
Tulare	8.500%	Tulare
Clovis	8.225%	Fresno
Fresno	8.225%	Fresno
Visalia	8.250%	Tulare
Madera	8.000%	Madera
Modesto	7.625%	Stanislaus

Note: All other Fresno County cities are 8.225%. Data provided by California State Board of Equalization as of 4.1.2016.

Fresno Zoo

In 2004, Fresno County voters approved Measure Z, a 0.1 percent sales tax, with 75 percent of the vote. The measure generated almost \$100 million in revenue – two thirds of which was used for capital improvements and the remaining one-third for operational costs and to keep admission prices level. Measure Z funded the construction of popular exhibits such as Sea Lion Cove and African Adventure. In November 2014, Fresno County voters approved a 10 year extension of the measure. Funds will provide for new exhibits and renovations to existing animal habitats.⁴⁹ Measure Z is administered by the Fresno County Zoo Authority, a public agency. A private non-profit entity, the Fresno-based Chaffee Zoo Corporation, is responsible for the zoo.⁵⁰

Libraries

In 1998, Fresno County voters approved a one-eighth cent sales tax to fund library services for the Fresno County Public Library system. County voters extended the tax in 2004.

In November 2012, voters approved an extension of the tax until 2029. If the measure had failed, library officials stated that service reductions, such as cutting half of the system's staff and closing half of the system's branches, would have occurred. In 2011, the sales tax accounted for 45 percent of the system's \$26 million budget.⁵¹ The tax generated over \$160 million between 1998 and 2012.⁵²

⁴⁸ This section largely excerpted from <http://www.measurec.com/faq>

⁴⁹ Sheehan, Tim. "Returns point toward victory for Fresno County zoo sales tax." *The Fresno Bee*. November 4, 2014. Accessed June 22, 2016. <http://www.fresnobee.com/news/politics-government/election/article19526955.html>

⁵⁰ Measure Z. Fresno Chaffee Zoo. Accessed June 22, 2016. <http://www.fresnochaffeezoo.org/measure-z/>

⁵¹ "FM3 Poll: Fresno County residents overwhelmingly support the extension of a sales tax for public libraries." *Fairbank, Maslin, Maullin, Metz & Associates*. April 24, 2012. Accessed June 10, 2016. <http://fm3research.com/news/2012/04/24/fm3-poll-fresno-county-residents-overwhelmingly-support-the-extension-of-a-sales-tax-for-public-libraries/>

⁵² Moore, Joe. "Fresno County Voters Approve Library Tax Renewal, While Measure 0 Trails." *KVPR*. November 7, 2012. Accessed June 10, 2016. <http://kvpr.org/post/fresno-county-voters-approve-library-tax-renewal-while-measure-0-trails>

Using the Transactions (Sales) and Use Tax for Park Improvements and Enhanced Park Access in the City of Fresno

The City of Fresno could seek voter approval for a sales tax increase that would benefit park improvements and enhanced park access. Funds could be used for capital purposes such as land acquisition and park development, as well as for operation and maintenance of existing park facilities. The sales tax rate may be raised in increments of 0.125 percent. However, the city could seek approval from the legislature for a different increment.

Based on taxable sales in Fiscal Year 2015, a 0.125 percent increase would generate approximately \$13.6 million in revenue. A one percent increase would generate approximately \$10.86 million. The chart on the following page provides additional estimates, as well as how much sales tax capacity would remain following an increase.

Process for Implementation

Following notice and public hearing, the city council may propose by ordinance or resolution the adoption of a special tax.

The ordinance or resolution must include:

- the type of tax to be levied
- the rate of tax to be levied
- the method of collection
- the date upon which an election shall be held to approve the levy of the tax

The Fresno City Council must approve an ordinance proposing the tax with a two-thirds vote of all members at least 88 days prior to the election.⁵³

If the tax is a general tax, it must be approved by a simple majority vote of those voting on the issue.⁵⁴ A simple majority is defined as 50 percent of voters plus one additional voter. If the tax is for a specific purpose, it must be approved by a two-thirds vote of those voting on the issue.⁵⁵

Following voter approval, the city may levy the tax.⁵⁶

A special tax measure that is subject to voter

Estimated Revenue and Cost of a Transactions (Sales) City of Fresno, CA			
Sales Tax Rate	Annual Revenue*	Annual Cost/Household	Available Rate Remaining
0.125%	\$ 13,579,738	\$13	1.150%
0.250%	\$ 27,159,475	\$26	1.025%
0.375%	\$ 40,739,213	\$39	0.900%
0.500%	\$ 54,318,950	\$52	0.775%

*Estimated based on FY15 total taxable sales of \$10,863,790,000 - provided by City of Fresno. **Assumes 25 percent of household income is spent on taxable items = \$10,364. ***Based on 2010-2014 median household income of \$41,455 - U.S. Census Bureau Quickfacts. ****Average household spending multiplied by est. # of households in the city (160,172). Figures provided by city of Fresno and U.S. Census Bureau QuickFacts

⁵³ California Code §7285.9

⁵⁴ California Code §7285.9

⁵⁵ California Code §7285.91

⁵⁶ California Code §50077

approval must include the following accountability measures:⁵⁷

- a statement indicating the specific purposes of the special tax
- a requirement that the proceeds be applied only to the specific purposes identified
- The creation of an account into which the proceeds shall be deposited
- an annual report

The California Board of Equalization recommends that any locality contemplating a transactions and use tax should begin by contacting its Local Revenue Allocation Section. Staff will assist with the preparatory functions for placing a proposal on the ballot to ensure the tax ordinance complies with law.

Local governments sometimes utilize the Measure A and B approach. In this case, the local agency places two measures before the voters: Measure A – a general tax, and Measure B – an advisory measure requesting the local legislative body use funds raised by Measure A for a specific purpose. It is important to remember that while this approach may help garner voter support, the advisory measure is not legally binding.

Appendix K contains examples of successful ballot language for park and conservation city transactions (sales) and use tax measures.

A local tax measure may be proposed via a local voter initiative. This process is explained further in the report, in the section entitled “Initiative and Referendum.”

Municipal Sales Tax Measures in California – November 2016

At least two cities in central California will vote on sales tax measures in November 2016 that, if approved, will generate dedicated funding for parks.

In San Joaquin County, voters in the City of Lodi will decide on a one-eighth (0.125 percent) sales tax increase for repairs, improvements, and upgrades to existing parks.⁵⁸ If approved, the increase is expected to generate \$1.4 million in additional revenue annually (about \$21 million over 15 years). The Lodi City Council compiled a parks expenditure plan that includes \$15.5 million in projects to repair and maintain existing parks and \$5.5 million to upgrade existing parks, as well as construct a three-quarter mile riverfront trail.⁵⁹

Voters will also decide whether to approve a one-quarter (0.25 percent) sales tax increase for increased staffing and training of police and fire personnel. Both measures contain 15 year sunset clauses, an annual report, and a citizen oversight committee.⁶⁰

In Fresno County, voters in the City of Kerman will decide whether to approve a three quarter cent (0.75 percent) sales tax for public safety, parks, and downtown revitalization. If approved, funding will support a senior center, regional fairgrounds in a new 35 acre park, a police station, animal kennel, and other projects. Downtown revitalization projects will not exceed 10 percent of total

⁵⁷ California Code §50075.1

⁵⁸ Pohlman, Sara Jane. “Measure to support Lodi’s parks kicks off campaign.” *Lodi News-Sentinel*. Lodi, CA. August 1, 2016. Accessed August 2, 2016. http://www.lodinews.com/news/article_0787c92c-5872-11e6-b0f0-8f11530dac71.html

⁵⁹ <http://www.lodi.gov/clerk/aaPDFimages/07-06-16agnPACKET.pdf>

⁶⁰ Vaughn, Danielle.

“Lodi sales tax measures going to November ballot.” *Lodi News-Sentinel*. Lodi, CA. July 7, 2016. Accessed August 2, 2016. http://www.lodinews.com/news/article_fdab1e3c-4475-11e6-960d-b3162ea61b88.html

revenue. The measure has a 15 year sunset and includes accountability language such as an annual audit, report and a citizen oversight committee. If approved, the tax is estimated to generate from \$550,000 to \$750,000 annually.⁶¹

As these measures are special purposes taxes, Two-thirds voter approval is required.

Examples of Sales Tax Programs Across the Country

Across the nation, voters in more than 50 cities have passed sales tax increases and extensions for parks, recreation, and land conservation funding. These include major cities such as: Phoenix, Arizona, Colorado Springs, Colorado, St. Louis, Missouri, Albuquerque, New Mexico, Arlington, Texas, and San Antonio, Texas.⁶²

In Utah, cities and counties may authorize a one-tenth of one percent sales tax for financing parks, botanical, cultural, recreational and zoological purposes.⁶³ In 1996, In November 1996, Salt Lake County voters approved the first RAP (Recreation, Arts, Parks) tax. In 2001, the law was expanded to allow cities to pass a local tax, as long as the county was not already imposing the tax.

A significant number of Utah counties and municipalities impose a RAP tax. Utah Code permits counties and municipalities to use their funds for a variety of activities. This affords municipalities and counties flexibility in customizing their programs to support local needs. Counties and municipalities vary in their administration of RAP funds. Some counties and municipalities allocate RAP money to secondary recipients through competitive grants.⁶⁴

Charter Amendment

In California, local charter governments can dedicate funds from existing taxes to specific purposes, including parks purposes. A charter amendment instructs the governing body to allocate a portion of existing taxes each year to the specified purpose. Unlike a bond or tax increase, however, a charter amendment does not create new money – it just allocates current revenue to a specific purpose. Two communities in California have asked voters to approve a charter amendment dedicating a portion of the existing tax revenue to parks. They are Santa Clara County and the City of San Francisco. Both counties received voter approval to continue and expand their set asides in 2016.

A charter amendment could be used to cover a portion of the cost of a city parks and open space system in conjunction with other funding. Allocations designated by a charter amendment are generally expressed as an amount equal to a percentage of the assessed value of all property

Examples

In Santa Clara County, the Park Charter Fund provides stable funding for the Santa Clara County Parks System to support recreational opportunities, park improvements, and open space protection through the county. Since 1972, Santa Clara County has dedicated a portion of the existing tax revenues to the Park Charter Fund and county voters have renewed the charter amendment seven

⁶¹ <http://cityofkerman.net/wp-content/uploads/2014/05/Agenda-Packet-2016-07-06-linked-2.pdf>

⁶² The Trust for Public Land's LandVote database. Accessed July 26, 2016.

⁶³ Utah Code 3.10.010

⁶⁴ "A Review of the Use and Accountability of RAP Tax Funds Statewide. Report Number 2010-07" Office of Legislative Auditor General. State of Utah. July 2010. Accessed July 26, 2016. https://le.utah.gov/audit/10_07arpt.pdf

times, most recently in 2016. This measure extended the Park Charter Amendment through 2021 and preserves the level of funding at 1.425 cents per \$100 of assessed valuation and dedicates at least 15 percent of the Fund to parkland acquisition and 5 percent to capital improvements with the remainder for park operations. In June 2016, voters approved an extension of the fund through 2032.

Since 1974, the City of San Francisco sets aside a portion of its property tax for park and open space purposes. The fund functions as a set-aside from the property tax equal to \$0.025 for each \$100 in assessed valuation. The city charter directs that the fund be used for acquiring park property (five percent), renovating or maintaining park property or facilities, or operating after-school recreation, urban forestry, and community garden programs. In 2000, the charter amendment was renewed until 2031 with 75 percent voter approval. In June 2016, San Francisco voters extended the set aside for 15 years until 2045, and required an increase in a minimum allocation from the general fund.

Process for Implementation

The Fresno City Council may submit a charter proposal to the voters, provided it does so at least 88 days prior to the election.

A charter amendment may also be submitted by citizen petition. A petition must be signed by 10 percent of the qualified electors of the city, which is computed by the total number of votes cast in the city for all candidates for Governor at the last general election at which a Governor was elected.

A city charter may be amended by proposals submitted by the governing body or by petition, and must be submitted at least 88 days before the election.

Charter amendments must be approved by a majority of voters at a statewide general election.

Charter Review Committee

The City of Fresno Charter Review Committee was created in 2010, to evaluate and make recommendations to the City Charter resulting in the City's current strong-mayor form of government.

The Committee shall be created and convened for a period of time, not to exceed 180 days. Each Councilmember shall have one appointment to the Committee and the Mayor shall have two appointments to the Committee for a total of nine members. The Committee will elect among themselves a Chairperson and a Vice-Chairperson.⁶⁵

While it is possible that the Charter Review Committee could be convened to discuss the issue of parks funding, such an action would be without precedent in Fresno.

Special Districts

Special districts are a form of local government created by a community to meet a specific need. Limited tax bases and competing demands for existing taxes make it hard for cities and counties to provide all the services their citizens desire. When residents or landowners want new services or

⁶⁵ <http://www.fresno.gov/Government/CityClerk/CharterReviewCommittee.htm>

higher levels of services, they can form a district to pay for and administer them. California has roughly 3,400 special districts providing focused public services such as fire protection, sewers, water supply, electricity, parks, recreation, sanitation, cemeteries, and libraries. There are about 50 major types of special districts (and many subcategories) ranging from airport to cemetery to water conservation districts.

Statutory special districts, such as a recreation and park district, regional park, park and open space, and open space districts, a county service area, or a community service district, are another mechanism by which property may be acquired for parks and open spaces in the City of Fresno. Special districts are a form of local government created by a local community to meet a specific need. When residents or landowners want new services or higher levels of existing services than are provided by the county, they can form a district to pay for and administer them.

Although not explored in greater detail in this report, some California cities and counties are exploring the creation and use of Enhanced Infrastructure Financing Districts (EIFDs) as a way to fund park, recreation and open space projects.

Recreation and Park District⁶⁶

Recreation and park districts may acquire property for parks and open space, impose property taxes, levy assessments upon properties assessed within their boundaries because those properties are specifically benefited (either throughout the district or in zones of benefit), and incur indebtedness not to exceed five percent of the assessed valuation in the district. Such a district may be formed in incorporated or unincorporated areas and may or may not be contiguous. It may also enter joint powers agreements and work in cooperation with other public agencies and private organizations. However, the governing body of the district may not levy an assessment or tax until the assessment is first approved by a majority of landowners or the tax is approved by two-thirds of landowners within the district. Bond issuances require a resolution of the district board of directors and two-thirds approval of the landowners within the district.

In November 2016, voters in the Hayward Area Recreation and Park District – the agency that oversees parks in Hayward and nearby unincorporated areas – will decide on a \$250 million bond measure for deferred maintenance projects and new initiatives.⁶⁷ All funding will be used for local park and recreation facility improvements.⁶⁸ Special districts are described in further detail in a subsequent section of this report.

Regional Park, Park and Open Space, and Open Space District

One or more cities, together with any parcel or parcels of city or county territory, whether in the same or different counties, may organize and incorporate a regional park, park and open space, or open space district. All the territory in the proposed district must be contiguous. Regional park, park and open space, and open space districts may acquire property for parks and open space, levy assessments upon properties assessed within their boundaries because those properties are specifically benefited (either throughout the district or in zones of benefit), and incur indebtedness not to exceed five percent of the assessed valuation in the district. However, the governing body of

⁶⁶ Cal. Public Resources Code §§5780 to 5790.17.

⁶⁷ Moriki, Darin. "\$250 million Hayward park bond on ballot." San Jose Mercury-News. August 4, 2016. Accessed August 5, 2016. http://www.mercurynews.com/ci_30206772/250m-hayward-park-bond-ballot

⁶⁸ <http://www.haywardrec.org/AgendaCenter/ViewFile/Agenda/07252016-445>

the district may not levy a benefit assessment until the assessment is first approved by a majority of landowners (50 percent or more), or a special tax is approved by two-thirds of voters, or a bond issuance is approved by two thirds of the district board of directors and voters.⁶⁹

Community Service District

A community service district may be formed by a city for a number of public purposes, including public recreation purposes which include, but are not limited to, aquatic parks and recreational harbors, equestrian trails, playgrounds, golf courses, swimming pools, or recreational buildings. Such a district may acquire real property by grant, purchase, gift, lease or eminent domain. A community service district may be formed by petition signed by at least ten percent of registered voters in the proposed district or by adoption of a resolution by the board of supervisors following a public hearing. As relevant to parks and open space funding, a community service district may issue bonds, general taxes, special taxes (including parcel taxes), and rates and other charges to carry out the purposes and objects of the district. The district may also form zones of benefit to finance capital improvements and services in limited areas of the district. To levy the tax, the district board of directors must state the purposes for which the taxes are necessary and must fix by ordinance the amount of money to be raised by taxation. To incur indebtedness, the district must hold a public hearing and electors residing in the portion of the district being benefited must approve the bonds at a special district election. A majority vote of electors in the district must approve the issuance of revenue bonds and a two-thirds vote is required for the issuance of general obligation bonds.⁷⁰

There are currently five community facilities districts that impose a Mello-Roos special tax in the city of Fresno. None list parks as a purpose.⁷¹

Special Districts in Fresno

Three special taxing districts provide park and recreation services in Fresno, although much of the service area in these districts is unincorporated parts of Fresno County located within the boundaries of the city.⁷² None provide these services directly to the jurisdiction of the entire city.

County Service Area 2 is 60 acres within an unincorporated “island” surrounded by the city of Fresno, serving 339 residents. It is financed by property tax and assessments. It provides park maintenance and lighting services. Specifically, it finances operations and maintenance to Tenaya Park, a 2.5 acre park.⁷³

Calwa Recreation and Park District provides park and recreation services. It is financed by property taxes, rental fees and donations. Its service area is 4,437 acres in the community of Calwa, bounded by California, peach and North Avenues and SR 99. The self-governed self-administered district operates Calwa Park. It partially overlaps with the city of Fresno.

⁶⁹ Cal. Public Resources Code §§5500 to 5595

⁷⁰ Cal. Government Code §§61600 to 61751.

⁷¹ Information from Center for Special Taxes, California Tax Foundation. Information current as of 2014. <http://www.caltaxfoundation.org/special-taxes/>

⁷² “Special District Directory.” Fresno County Local Agency Formation Commission. Accessed June 24, 2016. <http://www.fresnolafco.org/Special%20District%20Directory.pdf>

⁷³ “County Service Area No. 2 Tenaya Park – Municipal Service Review and Sphere of Influence Update.” Fresno Local Agency Formation Commission. June 17, 2016. Accessed June 24, 2016. <http://www.fresnolafco.org/documents/MSRs/CSA%20No.%202%20Review%20Draft.pdf>

The Malaga County Water District overlaps with the city of Fresno in three small areas. It provides water, sewer, garbage, and park and recreation services. It is financed with user fees and property taxes.⁷⁴

In unincorporated Fresno County, near Shaver Lake, County Service Area No. 31 is a 8,500 acre service area that includes a variety of services including public recreation and parks and open space, and is funded by user fees and assessments

Other Funding Mechanisms

Other taxes, such as a business license tax, utility user tax, transient lodging tax, vehicle license fee, real property transfer tax, or soda tax – could potentially be used to fund park improvements and enhanced park access in Fresno. Voters in Oakland and San Francisco will consider a soda tax at the November 2016 ballot.

INITIATIVE AND REFERENDUM

The City Charter reserves to the electors the powers of initiative and referendum, as well as the recall of municipal elective officers. The Charter states that the provisions of the Elections Code of the State of California shall apply to elections in the City of Fresno relating to initiative, referendum and recall.^{75 76}

The local referendum power is the means by which the voters can choose to adopt or reject legislation that has already been enacted by the city council. While the initiative gives individual electors, or groups of them, the power to actually propose new laws, the referendum process gives voters the chance to take a look at legislation that has already been passed, if they sign a petition in sufficient numbers before the ordinance takes place.⁷⁷

A group of citizens could use the powers of initiative to place a measure on the ballot. Local tax measures are often proposed via a local voter initiative.⁷⁸

Placing an initiative on the ballot is a time-consuming process. Signatures for a petition must be filed within 180 days from the date of receipt of the title and summary. After the petition has been filed, the elections official has 30 days (excluding Saturdays, Sundays, and holidays), to examine the validity of the petition.⁷⁹ The deadline to consolidate an election, which is to place a city measure on the county ballot, is 88 days before the election.

The method of considering a successful petition is dependent on the amount of registered voters that sign the petition – at thresholds of 10 or 15 percent. According to the most recent voter

⁷⁴ "Municipal Service Review and Sphere of Influence Update prepared for the Malaga County Water District." Fresno Local Agency Formation Commission. October 10, 2007. Accessed June 24, 2016. <http://www.fresnolafco.org/documents/staff-reports/Approved%20MSR's/Malaga%20County%20Water.pdf>

⁷⁵ City of Fresno Charter Article XIV, Section 1403

⁷⁶ California Election Code Section 9210(b)

⁷⁷ https://www.cacities.org/Resources-Documents/Member-Engagement/Professional-Departments/City-Attorneys/Library/2015/2015-Spring-Conference/5-2015-Spring-Craig-Steele-Initiatives_Refere

⁷⁸ Personal communication with Brian Uhler. California Legislative Analyst's Office. July 15, 2016.

⁷⁹ California Elections Code § 9211

registration data, 10 percent of registered voters is 22,125 signatures and 15 percent is 33,187 signatures.

If the petition is signed by 15 or more percent of registered voters, according to the last report of registration by the county elections official at the time the notice of intention was published, the city council has three options:

- Adopt the ordinance at the regular meeting at which the certification of the petition is presented, or within 10 days after it is presented.
- Immediately order a special election, to be held not less than 88 not more than 103 days after the date of the order of election, at which the ordinance, without alteration, shall be submitted to the voters of the city.⁸⁰
- Order a report (fiscal impact and any other effects or impacts that the initiative will have on the city) at the next regular meeting at which the certification is presented. When the report is presented to the city council, the city council shall either adopt the ordinance within 10 days or order an election as described above.⁸¹

If the petition is signed by 10 percent or more of the registered voters, according to the same criteria as above, the city council has three options:

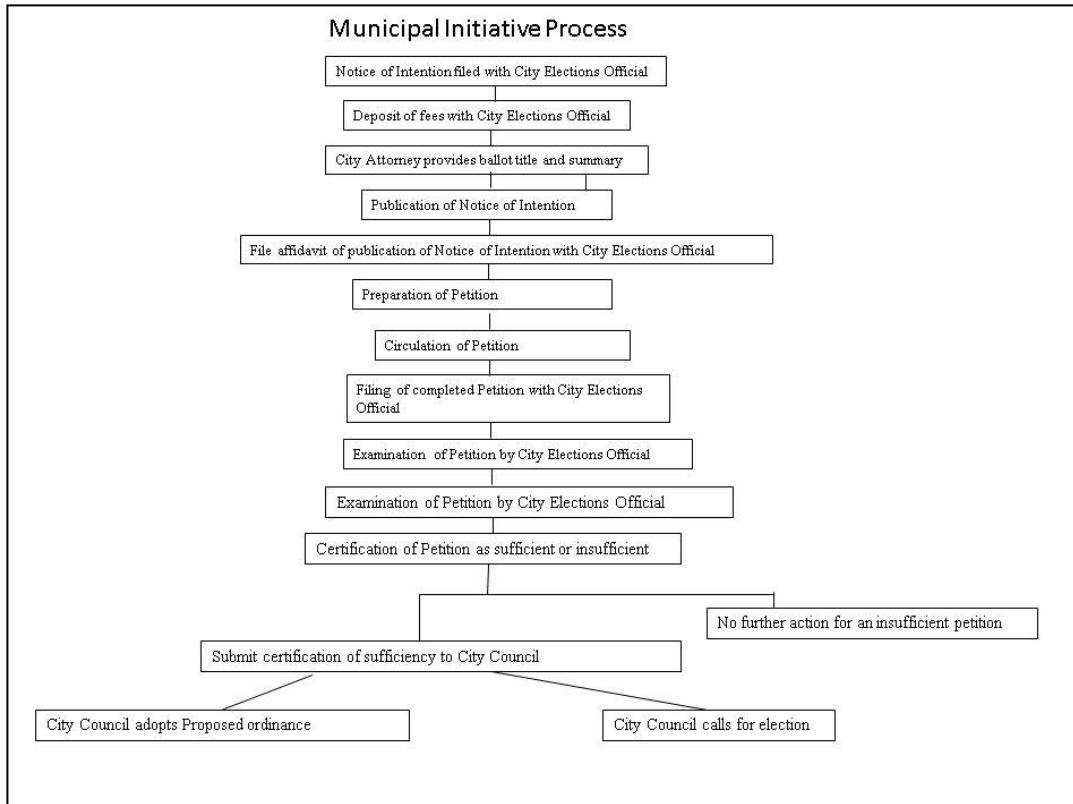
- Adopt the ordinance at the regular meeting at which the certification of the petition is presented, or within 10 days after it is presented.
- Submit the ordinance to the voters at the city's next regular election occurring not less than 88 days after the date of the order of election, unless the ordinance petitioned for is required to be, or for some reason is, submitted to the voters at a special election.
- Order a report (fiscal impact and any other effects or impacts that the initiative will have on the city) at the next regular meeting at which the certification is presented. When the report is presented to the city council, the city council shall either adopt the ordinance within 10 days or order an election as described above.

The chart on the following page shows the general process for a municipal initiative.⁸²

⁸⁰ California Elections Code § 1405(a)

⁸¹ California Elections Code §§1405(a), 9212, 9214

⁸² Process taken from Fresno County Clerk/ Registrar of Voters – Procedures for County, Municipal and District Initiatives and Referendum.



ELECTIONS

A ballot measure would be considered a special municipal election.⁸³ The charter states that unless otherwise provided by ordinance, all elections in the City of Fresno shall be held in accordance with the provisions of the Elections Code of the State of California – which otherwise apply to general law cities.⁸⁴

Special municipal elections may be held in conjunction with regularly scheduled elections.

Ballot Language

Ballot questions are limited to 75 words.⁸⁵ Measures are followed by the words "YES" and "NO." See the example to the right.

The City of Fresno Charter states that any measure submitted to the voters at a municipal election shall be worded so that a "yes" vote indicates approval of

MEASURES SUBMITTED TO THE VOTERS	
CITY	
CITY OF FRESNO	
Z KEY WORD SUMMARY OF MEASURE. Followed by the ballot question. The total number of words, including the summary, may not exceed 75 words. (§13247)	Yes
	No

Example of Format

⁸³ City of Fresno Charter Article XIV, Section 1401

⁸⁴ City of Fresno Charter Article XIV, Section 1402.

⁸⁵ California Elections Code §13247 and § 9051

the measure proposed and a “no” vote indicates disapproval.⁸⁶

Voter Registration and Turnout

The percentage of total City of Fresno voters registered as No Party Preference (previously Declined to State) has steadily increased over the last 12 years. The share of voters registering their

party affiliation with the Democratic party remained nearly constant, while the share of voters registering their party affiliation with the Republican party has decreased steadily over the last 12 years. Polling information can provide insight regarding how turnout could affect a potential measure.

City of Fresno Voter Registration - as of 5/23/2016						
	As of 5/23/2016		As of 4/10/2012		As of 1/5/2004	
Party Affiliation	# of Registered Voters	% of Total	# of Registered Voters	% of Total	# of Registered Voters	% of Total
DEM	94,293	42.6%	93,502	43.9%	75,146	41.9%
REP	70,807	32.0%	74,995	35.2%	79,755	44.5%
AI	5,628	2.5%	5,053	2.4%	2,907	1.6%
GRN	740	0.3%	981	0.5%	1,202	0.7%
LIB	1,192	0.5%	888	0.4%	666	0.4%
PF	699	0.3%	633	0.3%	304	0.2%
MIS	2,360	1.1%	2,596	1.2%	385	0.2%
NPP/DS	44,433	20.1%	34,425	16.2%	18,866	10.5%
TOT	221,252	100.0%	213,073	100.0%	179,396	100.0%

Voter Turnout - City of Fresno			
Election Date	Registered Voters	Votes Cast	Ratio
June 7, 2016	221,401	86,621	39.1%
November 4, 2014	223,646	77,116	34.5%
June 3, 2014	220,367	52,182	23.7%
November 6, 2012	218,525	127,592	58.4%
June 5, 2012	207,344	54,548	26.3%

Information Provided by County of Fresno. May 20, 2016 and from June 7, 2016 Statement of Vote.

Election Results

Election results can often be helpful in gauging voter tolerance for public spending.

City of Fresno voters decided on many county, school district, and community college district ballot measures in recent years. A table summarizing these election results is included in Appendix L and selected successful ballot language is included in Appendix M.

City of Fresno voters supported public finance measures over the last 10 years at a rate slightly higher than that of Fresno County overall.

Most recently, Fresno voters approved a \$485 million bond for the State Center Community College District in June 2016.

City of Fresno voters have not voted on local city public finance measures in recent years.⁸⁷ In 2004, city of Fresno voters rejected transient occupancy taxes. Voters previously rejected a similar tax in the late 1990s. In 2013, citizens forced a referendum on the city council’s decision to privatize residential trash pickup service.

⁸⁶ Fresno Charter Article XIV, Section 1404

⁸⁷ Following review of CaliforniaCityFinance.com, California Elections Data Archive, and League of Women’s Voters SmartVoter

In 2014, city council member Oliver Baines sought to introduce a proposed ballot initiative, known as Measure R, that would have increased the city's sales tax by a half-cent to pay for the restoration of basic services.

Although the initiative was not formalized, one proposal was a six year, half cent (0.5 percent) general sales tax increase. Revenue would have been directed to the general fund, a citizen oversight committee would have reviewed how the money was spent, and proceeds would have been independently audited annually. The city council and mayor would have held the final say on where the money went.⁸⁸ The *Fresno Bee* stated that the proposed tax would generate an estimated \$37 million annually. The proposed measure never received the necessary traction and support to make it to the ballot.⁸⁹

Potential Measures

The Fresno Unified School District is considering a bond measure for the November 2016 ballot. In 2010, District voters approved measure Q, a \$280 million bond to fund modernization and expansion. As of June 2016, approximately \$30 million in funds remain.^{90 91} The District's Facilities Master Plan of 2009 identifies about \$1 billion in needed projects. Measure Q funded approximately one-third of the need.^{92 93}

CONCLUSION

The Trust for Public Land recommends conducting a public opinion survey to gauge voter support for one or more of the funding mechanisms outlined here and priorities for program spending. The information on funding levels provided above should be utilized in developing survey questions.

This feasibility report is meant to inform the Mayor of Fresno and the City of Fresno in their consideration of new funding for park enhancements and improved park access by identifying potential funding mechanisms and determining the fiscal capacity and implementation requirements of various approaches.

⁸⁸ Hostetter, George. "Oliver Baines holding Fresno tax initiative in reserve – for now." *The Fresno Bee*. August 2, 2014. Accessed June 10, 2016. <http://www.fresnobee.com/news/local/news-columns-blogs/city-beat/article19522917.html>

⁸⁹ Hostetter, George. "The Next Mayor: What drives the road to City Hall." *CV Observer*. February 1, 2016. Accessed June 10, 2016. <http://www.cvobserver.com/features/the-next-mayor/3/>

⁹⁰ Mays, Mackenzie. "Voters would support \$225 million Fresno Unified School bond, poll says." *Fresno Bee*. June 15, 2016. Accessed June 24, 2016. <http://www.fresnobee.com/news/local/education/article84085857.html>

⁹¹ Ibid.

⁹² Hostetter, George. "The Right Track: Delivering on parks and amenities tests Fresno's mettle." *CV Observer*. April 18, 2016. Accessed June 10, 2016. <http://www.cvobserver.com/cvgov/delivering-amenities-for-parks/>

⁹³ Appleton, Rory. "\$485 million bond for community college improvements goes to vote." *Fresno Bee*. June 1, 2016. Accessed June 24, 2016. <http://www.fresnobee.com/news/local/education/article81185832.html>

APPENDICES

Appendix A: City of Fresno Revenue Options

Revenue Option	Description	Implementation Process	Comments
General Obligation Bonds	<p>The city could issue general obligation bonds for park-related purposes.</p> <p>A \$40 million bond, for example, would cost the average homeowner \$18 a year.</p> <p>City officials, financial advisors, bond counsel and underwriters would establish the actual terms of any bond issue.</p>	<p>A majority of the city council must approve to send the measure to the ballot and subsequently by two-thirds of voters must approve the bond issuance.</p> <p>Also may be sent to ballot via citizen initiative process.</p>	<p>Revenue raising capacity: Could create significant funding for park improvements and enhanced park access. However, bond funds cannot be used for operations and maintenance.</p> <p>Precedent: Although the city has not issued voter-approved general obligation bonds in recent memory, voters in major California cities have approved bond measures for parks and land conservation in recent years.</p>
Transactions (Sales and Use Tax)	<p>The city could increase the current sales tax and allocate the revenue to park-related purposes.</p> <p>A 1/8 percent (0.125) sales tax increase would raise an estimated \$13.6 million annually.</p>	<p>If the tax is for unrestricted purposes, also known as a general tax, it must be approved by a majority of city council members to send the measure to the ballot and subsequently by a majority of voters.</p> <p>If the tax is for a specific purpose, also known as a special tax, it must be approved by two-thirds of city council members authorizing the question and two-thirds of voters.</p> <p>Also may be sent to ballot via citizen initiative process.</p>	<p>Revenue raising capacity: Could create a significant funding source for park improvements, operations, maintenance and projects that enhance access to parks.</p> <p>Precedent: Fresno County voters consistently approved local sales taxes for libraries, the zoo and transportation in recent years. Cities and counties in California and across the country use local sales tax to fund parks and land conservation projects.</p>

Flat Parcel Tax	<p>A flat rate tax assessed on each parcel in the City of Fresno would generate significant revenue for parks. For example, a \$15 per parcel tax would generate about \$2 million annually</p> <p>The revenue could also support debt service on a revenue bond issue.</p>	<p>Two thirds of city council members must approve sending the measure to the ballot and subsequently two-thirds of city voters must approve the measure.</p> <p>Also may be sent to ballot via citizen initiative process.</p>	<p><u>Revenue raising capacity</u>: Could create a moderate funding source for operations and maintenance, conservation acquisition and capital improvements.</p> <p><u>Precedent</u>: Revenues from this source have been used in other states.</p> <p><u>Considerations</u>: The most common type of parcel tax and straightforward to voters. Every property owner equally contributes, regardless of size or ability to pay. Proposing a tax with a relatively low annual cost will help to minimize any potential hardship while providing essential funding.</p>
Per square foot parcel tax	<p>The city could levy a special parcel tax based on a uniform amount per square footage. This option would generate significant revenue for parks.</p> <p>Additional data and research is needed to calculate revenue and cost per household estimates.</p>	<p>Two thirds of city council members must approve sending the measure to the ballot and subsequently two-thirds of city voters must approve the measure.</p> <p>Also may be sent to ballot via citizen initiative process.</p>	<p><u>Revenue raising capacity</u>: Could generate significant funds, but additional data and research needed. Could support both acquisition and maintenance costs.</p> <p><u>Precedent</u>: There are a number of California cities and counties that impose a per square foot for parks or conservation purposes. Los Angeles County is seeking voter approval for such a tax for parks projects in November 2016</p> <p><u>Considerations</u>: Places a higher cost on large parcels. Proposing a tax with a relatively low annual cost will help to minimize any potential hardship while providing essential funding.</p>
Charter Amendment	<p>Amend the city charter to allocate a portion of existing taxes to park purposes.</p>	<p>A Majority of city council members must approve sending the measure to the ballot, and subsequently a simple majority of city voters must approve the measure.</p> <p>Also may be sent to ballot via citizen initiative process.</p>	<p><u>Revenue raising capacity</u>: Does not create additional funds but would secure a certain funding level for parks from existing revenues.</p> <p><u>Precedent</u>: Used to fund parks and conservation in San Francisco and Santa Clara County.</p>

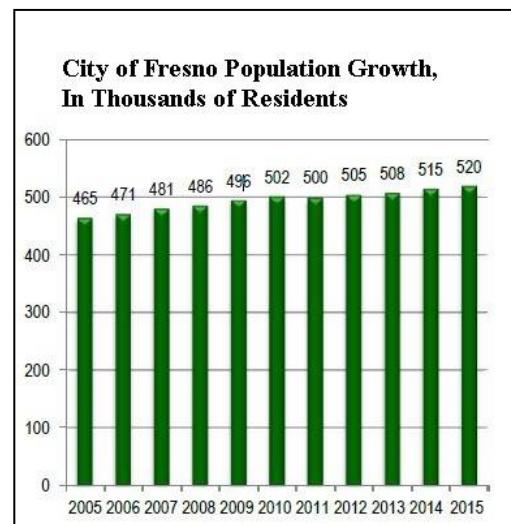
Appendix B: Overview of the City of Fresno Profile

Fresno is California's fifth largest city by population, its largest inland city, and the 34th largest city in the country. Fresno is the economic and cultural center of the San Joaquin Valley, one of the most productive agricultural centers in the U.S.⁹⁴

The population of the city has grown by approximately 10.3 percent in the past ten years. The U.S. Census Bureau estimated city's population to be approximately 520,000 people in 2015.⁹⁵ Over half of all county residents live in the City of Fresno. Fresno and the neighboring City of Clovis account for 64 percent of the total county population. Between 1980 and 1990, the city population grew from 217,000 to 354,000, a 63 percent increase.⁹⁶ The current population of Fresno County is 955,272 and is projected to exceed 1.1 million residents by 2020.⁹⁷ Housing units are split approximately evenly between owner-occupied and renter-occupied.⁹⁸ Thirty percent of people in the city are in poverty.⁹⁹ Appendix O contains a map showing the concentration of low and moderate income populations in the City of Fresno.

Fresno is among the most diverse localities in the state of California. There are more than 90 different nationalities that speak over 75 languages in Fresno. Hispanics account for 51 percent of total population in the metro area. The Fresno metropolitan area has the 17th largest Hispanic population in the nation.¹⁰⁰

The City of Fresno currently has a land area of 114.2 square miles. Fresno is located approximately 200 miles north of Los Angeles and 170 miles south of



Estimated Number of Workers by Industry, 2015	
City of Fresno	
Industry	% of Total
Service	28%
Government	18%
Agriculture	14%
Retail Trade	10%
Leisure & Hospitality	8%
Manufacturing	6%
Finance, Insurance & Real Estate	5%
Wholesale	4%
Mining & Construction	4%
Transportation & Public Utilities	3%

⁹⁴ "Ratings Action: Moody's upgrades Fresno (CA)'s GO Rating to A3". Global Credit Research – Moody's Investor Service. September 15, 2016. Accessed June 23, 2016. https://www.moodys.com/research/Moodys-upgrades-Fresno-CAs-GO-Rating-to-A3-related-ratings--PR_334693

⁹⁵ United States Census Bureau. American Fact Finder. Annual Estimates of the Resident Population. April 1, 2010 to July 1, 2015 – 2015 Population Estimates. Accessed May 25, 2016.

⁹⁶ Hostetter, George. "Chukchansi Park, the political football, is back." *CV Observer*. February 18, 2016. Accessed June 10, 2016. <http://www.cvobserver.com/election-2016/swing-and-a-miss-is-back/>

⁹⁷ City of Fresno 2016-2017 Proposed Budget Page D-1

⁹⁸ United States Census Bureau. American FactFinder. Profile of General Population and Housing Characteristics. 2010 Demographic Profile Data. Accessed May 25, 2016

⁹⁹ Census Quickfacts.

¹⁰⁰ Brown, Anna and Lopez, Mark Hugo. "Mapping the Latino Population, By State, County and City." *PewResearchCenter*. August 29, 2013. Accessed June 10, 2016. http://www.pewhispanic.org/files/2013/08/latino_populations_in_the_states_counties_and_cities_FINAL.pdf

Sacramento. Fresno also serves as a gateway to Yosemite National Park, Sequoia National Park, Sierra National Forest and Kings Canyon National Park.¹⁰¹

The economic base of Fresno County, of which the City of Fresno is the county seat, is predominantly agriculturally oriented. Fresno County is the number one agriculture-producing county in the United States. Although agriculture directly accounts for approximately 14 percent of jobs, the industry holds a much more substantial impact on the city and region's economy when related businesses are included. In 2014, agriculture production value exceeded \$7 billion for the first time ever.¹⁰² Major employers include medical groups, local government, and higher education. A chart of principal employers, in 2015 and in 2006, is included above.

Employer	Principal Employers - Current Year and Nine Years Ago					
	Employees	Rank	Total City Employment	Employees	Rank	Total City Employment
Community Regional Medical Center	4,789	1	1.23%	5,008	1	2.41%
City of Fresno	2,938	2	0.75%	4,008	2	1.93%
Saint Agnes Medical Center	2,400	3	0.62%	2,900	3	1.40%
Kaiser Permanente Medical Center	2,000	4	0.51%	2,506	4	1.21%
California State University, Fresno	1,562	5	0.40%	1,671	6	0.80%
State Center Community College District	1,178	6	0.30%	1,155	7	0.56%
Fresno Economic Opportunities Commission	973	7	0.25%	-	-	-
AmeriGuard Security Services, Inc.	567	8	0.15%	-	-	-
Gurantee Real Estate	544	9	0.14%	-	-	-
Geil Enterprises, Inc.	500	10	0.13%	-	-	-
Beverly Health Care	-	-	-	2,000	5	0.96%
Gottschalks	-	-	-	1,129	8	0.54%
AT&T	-	-	-	1,000	9	0.48%
Zacky Farms, LLC	-	-	-	912	10	0.44%
Total	17,451	-	4.48%	22,289	-	10.74%
Fresno City Employment			389,400			207600

Fresno continues to market itself as an ideal location for manufacturing and distribution due to strategic location, low business costs and affordable housing.

Like much of California's Central Valley – Fresno is greatly afflicted by pollution. However, Fresnans are at greater risk than most California residents – a 2014 study by the California Environmental Protection Agency found that eight of the state's 10 census tracts most heavily burdened by pollution are in the city of Fresno.¹⁰³

City Government

The city is a full-service charter city that operates under the strong-mayor form of government.¹⁰⁴ Only a handful of other cities operate under this form.¹⁰⁵ In Fresno, the Mayor serves as the city's Chief Executive Officer, appointing and overseeing the City Manager, recommending legislation, and presenting the annual budget to the city council.¹⁰⁶ The Mayor is elected at-large, does not serve on the Council, and has veto power over certain actions taken by the Council.

Incumbent Mayor Ashley Swearengin (non-partisan), first elected in 2008 and re-elected in 2012, is term-limited and is not running for re-election in 2016.

The city council consists of seven members. Each member is elected by voters residing in each of the city's seven districts to serve four year, overlapping terms.

¹⁰¹ This section largely excerpted from FY2015 Comprehensive annual Financial Report

¹⁰² <http://www.thebusinessjournal.com/news/agriculture/19093-2014-crop-report-fresno-county-ag-value-eclipses-7-billion>

¹⁰³ Marcum, Diana. "Fresno ranks No. 1 on California pollution list." *The Los Angeles Times*. April 23, 2014. Accessed June 10, 2016. <http://www.latimes.com/local/la-me-fresno-pollution-20140424-story.html>

¹⁰⁴ In 1992, Fresno voters approved the strong mayor form of government., which did not go into place until 1997.

¹⁰⁵ Other cities include San Diego, Oakland, Los Angeles, San Francisco, and Sacramento.

¹⁰⁶ 2016 Budget, Introduction.

The city manager, who is appointed by the mayor, is responsible for appointing all other department heads in 13 different departments including General Services, Planning and Development, Economic Development is Downtown and Community Revitalization, Police, Public Works, Finance, Budget, Airports, Information Services, Fire, Parks, Recreation and Community Services, Transportation, and Public Utilities. The city operates two airports (Fresno Yosemite International services most major cities), a bus system, and water, wastewater and solid waste utilities.¹⁰⁷

Upcoming Municipal Elections

The next municipal election will be held on November 8, 2016. The mayor and three city council seats are up for election. Two incumbent council members, Steve Brandau of District 2 and Paul Caprioglio of District 4, are running unopposed.

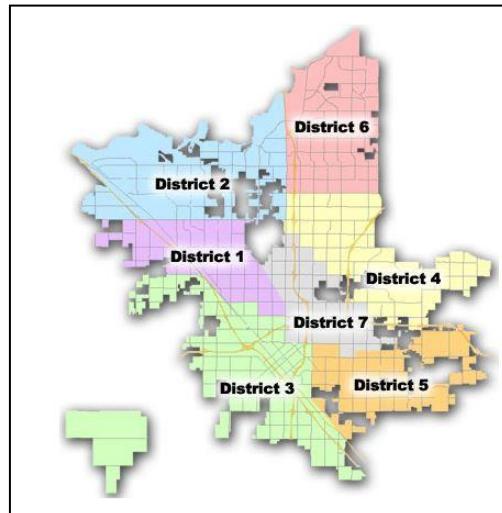
There were five candidates for mayor on the June 7, 2016 ballot. Current Fresno County Supervisor Henry R. Perea received 44 percent of the vote and current city council member Lee Brand received 32 percent of the vote. They will face off in a November run-off election.

The District 6 seat, currently held by city council member Lee Brand, who faces term limits and is running for mayor, is open. Four candidates ran for the seat. Gerry Brederfield, a former council member, and Jeremy Pierce, a business man, were the top vote-getters in the primary and will face off at the November 2016 election. Brederfield led all candidates with 49.14 percent of the vote, according to unofficial results as of June 22, 2016.

The previous three mayors elected under the city's "strong-mayor" system came from North Fresno.

City Council, City of Fresno		
Council Member	District	Term Expires
Esmeralda Z. Soria	District 1	Jan-19
Steve Brandau	District 2*	Jan-17
Oliver L. Baines III	District 3	Jan-19
Paul Caprioglio	District 4*	Jan-17
Sal Quintero	District 5	Jan-19
Lee Brand	District 6*	Jan-17
Clint Olivier	District 7	Jan-19

Source: FY2015 Comprehensive Annual Financial Report. * indicates that the District seat is up for reelection in 2016



Appendix C: Parks, Recreation, Trails and Open Space

City of Fresno

The city Parks, After School, Recreation, and Community Services (PARCS) Department, along with most other city departments, experienced considerable cuts in funding in recent years. As

¹⁰⁷ This section largely excerpted from www.fresno.gov/Government

such, city residents and officials are searching for opportunities to increase park services and improve park access throughout the city, particularly in the southern portion of the city.

In 2014, the city hired Manuel A. Mollinedo, previously director of the Honolulu Zoo and of park departments in major cities such as Los Angeles and Austin, Texas, as the director of the PARCS Department.¹⁰⁸

In 2015, the city opened Inspiration Park, a park with significant recreational amenities including playgrounds, ball fields, a splash park, community building, and basketball courts. The city states that it had been approximately 45 years since the city constructed a park of this size.¹⁰⁹

In FY17, the Cultural Arts District Park will open downtown, and will include a tot-lot, workout station, shade structures, and picnic tables.¹¹⁰

As is the case with parks in other major American cities, the majority of city parks in Fresno are reaching an age where major renovations and maintenance are in order. The city states that significant operating costs will occur throughout the park system as it continues to age due to natural wear and tear, lack of green space causing overuse of park amenities, and a lack of a comprehensive replacement analysis.¹¹¹ A significant deferred maintenance backlog exists with other city assets outside of parks.

In April 2016, city council approved an agreement with Central Unified School District for weekend use of playground areas at two elementary schools in western Fresno.¹¹² In May 2016, the city approved its joint-use agreement with Fresno Unified School District that will open 14 school sites for use as playgrounds during summer weekends.¹¹³ The agreements are expected to open up between 300 and 400 more acres of green space for recreation, during those hours that they are open. All but three of the sites are in areas that have been identified as underserved by city parks.

There are 1,921 acres of parkland in Fresno. Only three percent of land in Fresno is dedicated to parkland.

Parks, After School, Recreation and Community Services Department				
Department Appropriations by Fund Type				
Fund Type	FY2014 Actuals	FY2015 Actuals	FY2016 Amended	FY2017 Proposed
Operating	\$ 14,264,033	\$ 15,288,906	\$ 18,170,300	\$ 21,025,100
Capital	\$ 11,668,712	\$ 1,399,417	\$ 6,555,300	\$ 4,082,900
Debt Service	\$ 2,346,030	\$ 2,281,139	\$ 2,353,800	\$ 2,196,800
Total	\$ 28,278,775	\$ 18,969,462	\$ 27,079,400	\$ 27,304,800

Source: City of Fresno FY17 Proposed Budget Book B-84

Parks, After School, Recreation and Community Services Department	
Major Funding Sources -FY17 Proposed Budget	
Type	% of Total Available Funding
Citywide General Fund Support	58%
Intergovernmental Revenue	27%
Charges for Services	10%
Other Revenue	5%

¹⁰⁸ "Fresno hires Mollinedo as PARCs director." *The Business Journal*. May 19, 2014. Accessed June 10, 2016.

<http://www.thebusinessjournal.com/news/government-and-politics/12070-fresno-hires-mollinedo-as-parcs-director>

¹⁰⁹ City of Fresno 2016-2017 Proposed budget B-87.

¹¹⁰ City of Fresno 2016-2017 Proposed budget B-87.

¹¹¹ City of Fresno 2016-2017 Proposed Budget Page B-87.

¹¹² <http://www.fresnobee.com/news/local/article74778512.html>

¹¹³ <http://www.fresnobee.com/news/local/article78760817.html>

The City of Fresno continually ranks near the bottom of The Trust for Public Land's ParkScore rankings, a comprehensive rating system developed to measure how well the 100 largest U.S. cities are meeting the need for parks. In 2016, Fresno ranked second to last. Fresno was ranked last in previous years. The city's score is expected to increase in the coming years.¹¹⁴

Appendix P contains a map of The Trust for Public's Lands ParkScore analysis.

Parks Master Plan

The City of Fresno is currently updating its parks master plan. The current plan was last updated in 1989.

Park Impact Fee Bonds

In September 2005, the city council approved and authorized new park facilities impact fees in order to pay for municipally-owned park and recreation facilities.¹¹⁵ ¹¹⁶ These replaced the previous Urban Growth Management (UGM) boundary park fees and were significantly higher. For a single family dwelling unit – the fees increase from \$159 to \$320 to \$3,398.¹¹⁷ This amount is below the median city impact fee for parks purposes in California, as well as the median of such fees for cities not in the San Francisco or Los Angeles metropolitan areas.¹¹⁸ The Trust for Public Land did not examine the impact of the fee changes to other property classifications. The city also added a fire facilities fee and a police facilities fee. A subset of fees was also imposed under the Quimby Act, which authorizes the legislative body of a city to require the dedication of land or to impose fees for park or recreational purposes on developers.¹¹⁹ Revenue generated through the Quimby Act cannot be used for the operation and maintenance of park facilities.¹²⁰ ¹²¹

In 2008, city staff stated that there was confidence that impact fee revenue would be sufficient to enable an estimated \$2.3 million in annual debt service payments, and that the balance, estimated at \$200,000 would be generated by entrance fees and event revenues.

Projects to be funded through Park Impact Fee Revenue Bonds - Phase I	
Project	Amount (In Millions)
Expansion of Regional Sports Complex	\$ 1.5
Amphitheater and expansion of Woodward Park	\$ 1.9
North Figarden Drive Park	\$ 6.9
Eaton Plaza Phases 2-4	\$ 1.8
Todd Beamer (Maple/ Plymouth Park)	\$ 2.8
Victoria West Expansion	\$ 2.8
EOC Neighborhood Youth Center/ Gym	\$ 2.0
Chestnut and Highway 180 Skate Park	\$ 2.7
Fresno Unified School District Capital Improvement	\$ 2.0
Universally Accessible Park (Polk and Gettysburg)	\$ 1.0
Various other Skate Parks, Community and Science Centers, Y	\$ 6.6

Source: <http://www.fresno.gov/councildocs/agenda10.28.2010/1100b.pdf>

¹¹⁴ Romero, Ezra David. "Fresno's ParkScore Increases, But Not by Much." KVPR. May 26, 2016. Accessed July 13, 2016. <http://kvpr.org/post/fresnos-parkscore-increases-not-much>

¹¹⁵ City Charter Article 4.8 – Section 12-4.702

¹¹⁶ City Resolution No. 2005-425

¹¹⁷ Wiemiller, Patrick N. "Resolution – Adopting a Policy to Provide Certain Fee Waivers from Citywide Impact Fees for Final Maps Pursuant to the Recommendations of the Economic Stimulus Committee." City of Fresno Report to the City Council. July 30, 2009. Accessed July 18, 2016. <http://www.fresno.gov/councildocs/agenda7.30.2009/10001a.pdf>

¹¹⁸ Based off of 2012 National Impact Survey. Prepared by Clancy Mullen, Duncan Associates, Austin, TX. August 20, 2012. Accessed July 18, 2016. Not all cities with impact fees were included in the survey. The median impact fee for parks of survey respondents in California was \$5,340. The median impact fee for parks of survey respondents in California outside of the San Francisco or Los Angeles metropolitan areas was \$4,129.

¹¹⁹ Shields West v. City of Fresno. 12/04/2009,

¹²⁰ Westrup, Laura. "Quimby Act 101: An Abbreviated Overview." California Department of Parks and Recreation. May 28, 2002. Accessed July 18, 2016. <http://www.parks.ca.gov/pages/795/files/quimby101.pdf>

¹²¹ In 2009, city council voted to exempt lots outside of the urban growth boundaries – generally areas not located at the edges of the city – from the UGM-related fees.. See City of Fresno City Council Resolution 2009-12

In 2008, the city council, under then-Mayor Alan Autry, voted to borrow \$40 million to finance the rehabilitation of aging parks and to build new parks. The city issued revenue bonds, which did not require voter approval. The borrowing would be repaid largely by using fees from residential construction. However, the recession caused a sharp decline in the home building- which led to a sharp decrease in park impact fees.¹²² As of 2010, between \$37-38 million has been spent. The park bonds were backed by the general fund and secured by Woodward Park, the largest and most visited park in the city.¹²³

The city continues to pay over \$2 million in debt service annually on these bonds.¹²⁴

Appendix D: City of Fresno: Budget and Fiscal Health Overview

Budget

The FY17 city budget includes a 6.9 percent increase in general fund spending from FY16.¹²⁵ After debt service and operating expenses, the FY2017 General Fund budget is primarily allocated to public safety. It emphasizes public safety by adding new police officer and firefighter positions, and ensuring long-term financial stability by adding to reserves. Funding for much-needed street repair is also included.¹²⁶ Budgets can be revamped throughout the year with five council votes, without the possibility of a mayoral veto.

The FY17 budget includes \$5.3 million to address deferred maintenance in parks throughout the city and also includes funding for the Weekend Community Open Space Program. The proposed FY17 budget for the Parks, After School, Recreation and Community Services department is \$27.3 million.¹²⁷ While limited funding exists for parks, the amount available has increased in the last two years.

The FY15-16 City of Fresno budget dedicated nearly \$6 million, or roughly 0.5 percent of the total budget, for park upgrades. Officials estimate that about \$1 million of these funds will be spent in the southeast section of the city.¹²⁸

The budget also included funding for improvements and expansions to transit bus service. The City of Fresno FAX bus system serves 12 million riders a year. This funding is in addition to construction of a rapid transit bus line that will be paid for using state and federal grants.¹²⁹

Revenues by Source - Governmental Activities (2015)	
Property Taxes	26%
Charges for Services	22%
Sales Tax	14%
Capital Grants and Contributions	14%
Operating Grants and Contributions	9%
Other Local Taxes	6%
In-lieu Sales Tax	5%
Business Taxes	4%

Expenses by Type - Governmental Activities (2015)	
Public Protection	52%
Public Ways and Facilities	19%
Community Development	9%
General Government	8%
Culture and Recreation	6%
Interest and Long-term Debt	6%

¹²² Appleton, Rory and Hostetter, George. "Community members on Fresno's park budget: It's not enough." *The Fresno Bee*. May 12, 2015. Accessed June 10, 2016. <http://www.fresnobee.com/news/local/article20955900.html>

¹²³ <http://www.fresno.gov/councildocs/agenda10.28.2010/1100b.pdf>

¹²⁴ City of Fresno FY2017 Proposed Budget – Line Item Detail. May 13, 2016. Accessed June 10, 2016.

¹²⁵ <http://www.fresnobee.com/news/local/article79541712.html>

¹²⁶ Lurie, George. "Fresno Mayor unveils final city budget." *The Business Journal*. May 24, 2016. Accessed June 10, 2016. <http://www.thebusinessjournal.com/news/government-and-politics/22619-fresno-mayor-unveils-final-city-budget>

¹²⁷ Sheehan, Tim. "Fresno's \$1.1 billion budget plan: More for police, fire, parks, blight." *The Fresno Bee*. May 24, 2016. Accessed June 10, 2016. <http://www.fresnobee.com/news/local/article79541712.html>

¹²⁸ Appleton, Rory and Hostetter, George. "Community members on Fresno's park budget: It's not enough." *The Fresno Bee*. May 12, 2015. Accessed June 10, 2016. <http://www.fresnobee.com/news/local/article20955900.html>

¹²⁹ Hess, Jeffrey. "Fresno Breaks Ground on Bus Rapid Transit." *KVPR*. June 1, 2016. Accessed June 10, 2016. <http://kvpr.org/post/fresno-breaks-ground-bus-rapid-transit>

Fresno continues to pay about \$2.6 million annually in bond payments for Chukchansi Park, the city-owned baseball stadium that opened in 2002.

Fiscal Health

Fresno's economy is growing at a healthy pace, but remains fundamentally weaken due to chronically high unemployment and low incomes. Fresno's economy remains largely driven by low-wage agriculture-related activity, although the economy has expanded and diversified over several decades of rapid population growth. Unemployment trends higher than the national and state averages.¹³⁰ The composition of Fresno's jobs, measured by estimated number of workers by industry, has remained largely the same over the last 25 years. The most notable change is that the percentage of agriculture workers has decreased, while the percentage of service workers has increased.¹³¹

Fresno's economy suffered very steep and long-lasting declines during the national housing downturn, but the economy has grown at a solid pace in recent years with both job and tax base growth accelerating. The region's agricultural sector has proven resilient through the current California drought and continues to provide a solid base of economic activity for the region. Like many agricultural centers, high unemployment and low incomes are likely to remain a feature of the resource base regardless of near-term cyclical changes.

The city benefits from a diverse general fund revenue mix that is dominated by property taxes (36 percent of total general fund revenues in 2015) and sales (25 percent) taxes. The city has very limited independent revenue raising flexibility due to California Proposition 13 tax limitations. It may not raise its operating property tax rate under any circumstance, and it may only raise other taxes with a vote of the people. The council's only independent policy lever for revenue control is the imposition of fees, and this tool is insufficient to offset cyclical revenue declines in typical recessions.¹³²

In June 2016, Fitch, the bond ratings agency upgraded Fresno's debt issuer rating to 'A' from BBB+. Previously, in October 2015, Fitch rated the city's implied rating for general obligation bonds at BBB+, which indicates good credit quality, and a stable outlook.

However, Fitch stated that Fresno's rating is below the expected range for a U.S. municipality and is particularly low for a large city, most of which are rated 'A' or higher." While Fitch noted that it expects the rating to rise over the next several years if the city continues to follow the financial policies it instituted during the Great recession, the rating is hampered by the weakness in the central San Joaquin Valley economy.

Similarly, in September 2015, the ratings agency Moody's increased the city's issuer rating from Baa1 to A3, and revised the rating from positive to stable. This rating represents what the city's general obligation bond rating would be if the city had outstanding GO debt. This was the first

¹³⁰ Sheehan, Tim. "Fresno's bond ratings stable, but lower than expected." *The Fresno Bee*. October 26, 2015. Accessed June 10, 2016. <http://www.fresnobee.com/news/business/article41460543.html>

¹³¹ City of Fresno 2016-2017 Proposed Budget, Page D-2.

¹³² The preceding three paragraphs largely excerpted from: 'Fitch Upgrades Fresno, CA's IDR to 'A' and Leases to 'A-'; Outlook Stable. Fitch Ratings. June 23, 2016. Accessed July 13, 2016. <http://www.businesswire.com/news/home/20160623005968/en/Fitch-Upgrades-Fresno-CAs-IDR-Leases-A->

upgrade of the city's debt ratings since the recession.¹³³ Moody's cited recent growth in taxable property values, sales tax collections and employment as reasons for the rating upgrade. Moody's also cited consecutive operating surpluses and improved budgets in recent fiscal years.¹³⁴

As of March 2016, the City of Fresno's employment retirement system is the only major public pension program in California with a surplus, rather than with unfunded pension liabilities. Pensions in the City of Fresno are modest compared to most other California governments, including Fresno County.¹³⁵

In its FY15 Comprehensive Financial Annual Report, the city states that it must balance the following priorities: restore services, invest in deferred maintenance, pay off debt, and fund reserves for future economic downturns.¹³⁶

The Great Recession in the City of Fresno

Like many other California cities, Fresno was severely impacted by the recession. The collapse of the housing market, tax base, and charges for services in Fresno, as in many other California cities, severely restricted the city's ability to generate revenue and forced the city to make substantial cuts to city services. Combined with increases in labor costs, due in part to long term employment contracts entered into when the economy was growing, the city faced an increasing deficit. Beginning in February 2009, the city undertook major rounds of budget reductions to address budget shortfalls. Non-essential city services were either eliminated or severely curtailed.

Unemployment Rates			
Year	Fresno	County	State
2015	11.10%	10.20%	6.30%
2014	10.30%	11.00%	7.10%
2013	12.50%	11.90%	8.80%
2012	14.70%	15.20%	11.50%
2011	15.60%	16.50%	11.70%
2010	15.80%	16.80%	12.40%
2009	14.10%	14.90%	11.30%
2008	9.80%	10.40%	7.20%
2007	8.00%	8.50%	5.30%
2006	7.50%	8.00%	4.90%

Source: Employment Development Department. City of Fresno 2016-2017 Proposed Budget Page D-2

By all measures, the Fresno economy is recovering – although the rebound remains fragile. The current unemployment rate for the city of Fresno in 2015 was 11.1 percent, slightly above the county rate and above the state rate. This represents a slight increase from 2014, but is below the unemployment rates in previous years.

For the first time since 2011, the Fiscal Year 2014 Comprehensive Annual Report did not include a statement of "going concern," an accounting designation for when there is a significant doubt about the governments' ability to continue as a going concern for at least twelve months beyond the financial date.¹³⁷

The FY15 Comprehensive Annual Financial Report showed that city revenues increased by 4.3 percent or 30.2 million, in fiscal year 2015.¹³⁸ The fiscal year 2015 total assessed property value of

¹³³ Kohlruss, Craig. "Moody's boosts Fresno's credit ratings." *The Fresno Bee*. September 16, 2015. Accessed June 10, 2016. <http://www.fresnobee.com/news/business/article35466921.html>

¹³⁴ "Rating Action: Moody's upgrades Fresno (CA)'s GO Rating to A3; related ratings also upgraded by one notch; outlook on lease revenue, pension and judgement bonds remain positive." *Moody's Investors Service*. September 15, 2015. Accessed June 10, 2016. https://www.moodys.com/research/Moodys-upgrades-Fresno-CAs-GO-Rating-to-A3-related-ratings--PR_334693

¹³⁵ Sheehan, Tim. "Fresno's city pension program boasts surplus- rarity in California." *The Fresno Bee*. March 10, 2016. Accessed June 10, 2016.

¹³⁶ FY2015 CAFR Page 46.

¹³⁷ Hostetter, George. "City Council to debate a blunt CAFR." *The Fresno Bee*. April 24, 2013. Accessed June 10, 2016. <http://news.fresnobeehive.com/archives/2332>

¹³⁸ <http://www.fresno.gov/News/PressReleases/2016/positive.htm>

\$30.1 million was just under fiscal year 2009's record level of \$30.3 million, reflecting the fact that property values are recovering from the impacts of the recession.¹³⁹

A 2015 Brookings Institution study found that the combined positive change in employment and gross domestic product growth per person in the Fresno metro area outranked all other California metro areas.¹⁴⁰

Appendix E: Local Public Finance in California

In California, local governments hold the authority to impose a broad range of taxes. All taxes imposed by local governments in California are considered to be either general taxes or special taxes.¹⁴¹ General taxes may be imposed only by local governments for general government purposes and not by special purpose districts, such as school districts. An imposition, extension or increase of any general tax requires the approval of a majority of voters at a regularly scheduled general election for members of the governing body. Revenues from general taxes are deposited into the General Fund. Special taxes are imposed for specific purposes by counties, cities and special districts. Any imposition, extension or increase of a special tax must be approved by a two-thirds vote.¹⁴² Any tax imposed by a special district is considered a special tax. Revenues from special taxes are deposited into segregated accounts restricted to the use for which they were imposed and collected.

The State of California authorizes communities to use various revenue sources for parks and recreation purposes including property-related taxes, sales and use taxes, general obligation bonds, the creation of financing districts that serve as financing mechanisms, and the creation of special districts. Each of these funding mechanisms requires approval by the electorate (or landowners in the case of special districts) and, in various communities in California, they have enjoyed widespread support.

Evolution of Voter Approval Requirements for Taxes

In 1978, California voters approved Proposition 13, which lowered the property tax rate to a maximum of one percent for general purposes, and required special taxes to be approved by two-thirds of voters. In 1986, voters approved Proposition 46, which allowed local governments to raise the property tax rate to finance infrastructure bonds if approved by two-thirds of local voters.¹⁴³ In 1982, the case *City and County of San Francisco v. Farrell* defined a special tax as a tax levied for a specific purpose. In 1996, California voters approved Proposition 218, which required all general taxes to be approved by a simple majority of voters; and required all parcel taxes to be levied as special taxes.

¹³⁹ City of Fresno FY2015 Comprehensive Annual Financial Report, Page 5.

¹⁴⁰ <http://calwatchdog.com/2015/01/28/fresno-beats-sf-san-jose-in-economic-growth/>

¹⁴¹ Cal. Const. Art. XIIC, Sect. 2 (Proposition 218, "the Right to Vote on Taxes Act," 1996); Cal. Government Code §§53720-53730.

¹⁴² See Cal. Government Code §§50075-50077.5 (containing additional requirements for voter-approved special taxes).

¹⁴³ "A Look at Voter-Approval Requirement for Local Taxes." Legislative Analyst's Office – The California Legislature's Nonpartisan Fiscal and Policy Advisor. March 20, 2014. Accessed June 10, 2016. <http://www.lao.ca.gov/reports/2014/finance/local-taxes/voter-approval-032014.aspx>

Appendix F: California Conservation Ballot Measure Results

California Municipal Conservation Finance Ballot Measures - 1996 to 2015						
Jurisdiction Name	Date	Finance Mechanism	Total Funds Approved	Conservation F	Status	% Yes
San Francisco	6/7/2016	Budget Allocation	\$2,662,900,000	\$133,145,000	Pass	60.05%
San Carlos	11/3/2015	Bond			Fail	39.49%
San Luis Obispo	11/4/2014	Sales tax	\$52,000,000	\$2,600,000	Pass	70.32%
Laguna Beach	11/6/2012	Parcel tax			Fail	44.82%
San Francisco	11/6/2012	Bond	\$195,000,000	\$7,500,000	Pass	72.11%
Portola Valley	11/3/2009	Utility tax	\$984,000	\$984,000	Pass	65.92%
San Juan Capistrano	11/4/2008	Bond	\$30,000,000	\$30,000,000	Pass	70.26%
Pasadena	10/27/2008	Benefit Assessment	\$1,364,090	\$1,364,090	Pass	60.38%
San Francisco	2/5/2008	Bond	\$185,000,000	\$5,000,000	Pass	71.33%
Santa Clarita	7/10/2007	Benefit Assessment	\$46,683,000	\$46,683,000	Pass	62.77%
Castro Valley	11/7/2006	Bond			Fail	62.62%
Claremont	11/7/2006	Bond	\$12,500,000	\$12,500,000	Pass	70.78%
San Luis Obispo	11/7/2006	Sales tax	\$45,000,000	\$2,250,000	Pass	64.77%
Santa Monica	11/7/2006	Parcel tax	\$47,000,000	\$11,750,000	Pass	67.03%
Claremont	7/25/2006	Benefit Assessment			Fail	44.00%
Santa Clarita	11/22/2005	Benefit Assessment			Fail	46.95%
Portola Valley	11/8/2005	Utility Tax	\$800,000	\$800,000	Pass	57.74%
Carmel-by-the-Sea	4/5/2005	Transient occupancy tax			Fail	54.25%
Los Angeles	11/2/2004	Bond	\$500,000,000	\$100,000,000	Pass	76.30%
Martinez	11/2/2004	Bond			Fail	61.85%
Oakland	11/5/2002	Bond	\$198,250,000	\$50,000,000	Pass	80.04%
Carlsbad	11/5/2002	Budget allocation			Pass	59.70%
Malibu	11/6/2001	Bond			Fail	61.30%
Portola Valley	11/6/2001	Utility tax	\$760,000	\$760,000	Pass	73.54%
Duarte	6/26/2001	parcel tax			Fail	41.10%
Davis	11/7/2000	Parcel tax	\$17,500,000	\$17,500,000	Pass	70.45%
Monrovia	7/11/2000	Parcel tax	\$10,000,000	\$10,000,000	Pass	77.29%
San Francisco	3/7/2000	Charter Amendment	\$510,000,000	\$150,000,000	Pass	73.76%
Santee	11/9/1999	Parcel tax			Fail	13.67%
San Carlos	11/2/1999	Parcel tax	\$1,200,000		Pass	76.25%
Santa Cruz	11/3/1998	Bond	\$7,000,000	\$2,700,000	Pass	76.11%
Moreno Valley	11/3/1998	Parcel tax			Fail	41.35%
Moorpark	11/3/1998	Parcel tax			Fail	33.29%
Portola Valley	11/4/1997	Utility tax	\$608,539	\$608,539	Pass	80.89%
Oakland	11/5/1996	Bond	\$45,420,000	\$7,600,000	Pass	77.68%
Albany	11/5/1996	Benefit assessment	\$9,600,000	\$5,000,000	Pass	61.55%
Folsom	11/5/1996	Bond			Fail	48.32%
Los Angeles	11/5/1996	Benefit Assessment	\$500,000,000	\$30,000,000	Pass	50.19%
San Luis Obispo	11/5/1996	Benefit Assessment			Pass	52.08%
Thousand Oaks	11/5/1996	Bedroom tax			Fail	57.76%

Appendix G: Overview of California Local Government Tax Levies

Overview of California Local Government Tax Levies		
Tax	Description	What Local Governments may Levy?
Property Tax for debt	A levy on property based on the properties' assessed value and used for voter approved debt.	Cities, counties, special districts, and school and community college districts
Parcel Tax	A levy on parcels of property, typically set at some fixed amount per parcel. Cannot be based on a property's value.	Cities, counties, special districts, and school and community college districts
Sales Tax	A levy on the retail sale of tangible goods.	Cities, counties, and some special districts
Hotel Tax	A levy on the occupancy of hotels, motels, or other short-term lodging.	Cities and counties
Utility Tax	A levy on the use of utilities, such as electricity, gas, or telecommunications.	Cities and counties
Business Tax	A levy on operators of businesses.	Cities and counties
Other Taxes	Other types of taxes including Mello-Roos taxes and property transfer taxes.	Primarily cities and counties
<p>Note: Special Districts and School and Community College Districts Have More Narrow Tax Authority. Most special districts and school and community college districts are authorized to levy only parcel taxes to fund services. Parcel taxes generally are paid by most property owners within each local government's jurisdiction. In some cases, however, certain groups of property owners—such as senior citizens—may be exempted. A limited number of special districts—primarily transportation districts—also may levy sales taxes.</p> <p>Excerpted from: "A Look at Voter-Approval Requirements for Local Taxes" California Legislative Analyst's Office. March 20, 2014. Accessed July 13, 2016. http://www.lao.ca.gov/reports/2014/finance/local-taxes/voter-approval-032014.aspx#How_California.2019s_Requirements_Evolved</p>		

Appendix H: Approval Requirements for Local Revenue Measures

Approval Requirements for Local Revenue Measures		
Type	Governing Body Approval	Voter Approval
City or county "general" taxes (revenues used for unrestricted purposes)	If consolidated with a regularly scheduled election of members of the legislative body: 2/3 for transactions & use taxes , Other taxes: 2/3 for general law cities; majority for charter cities. If not consolidated, unanimous declaration of "emergency" required.	Majority
City or county "special" taxes (revenues used for specific purposes)	Majority (2/3 for transactions & use taxes)	Two-thirds
All school or special district taxes	Majority	Two-thirds
General obligation bonds (non-school)	Majority	Two-thirds
General obligation bonds (School)	Majority	The Constitution specifies that a majority of voters can approve bonds used for repairing or replacing unsafe public school buildings and 55 percent of voters can approve bonds for new school facilities under certain conditions.
Excerpted from "Approval Requirements for State and Local Revenues. Michael Coleman/ California City Finance. http://www.californiacityfinance.com/RevApprv.pdf		

Appendix I: Successful Park and Conservation Parcel Tax Ballot Language

Davis Parks Maintenance Tax Ballot Measure, June 2012

Shall Ordinance No. 2387, which extends for six years the existing Parks Maintenance Tax of \$49 on residential units and on non-residential units in amounts specific in the Ordinance, to fund maintenance of parks, street trees, greenbelts, bike paths, medians, public landscaping, urban wildlife and habitat, swimming pools, and recreational facilities be adopted?

Yes No

The measure passed with 84 percent support.

Appendix J: Successful Park and Conservation Bond Ballot Language

City and County of San Francisco, November 2012.

B Clean and Safe Neighborhood Parks Bond

SAN FRANCISCO CLEAN AND SAFE NEIGHBORHOOD PARKS BOND,

To improve the safety and quality of neighborhood parks across the city and waterfront open spaces, enhance water quality and clean up environmental contamination along the Bay, replace unsafe playgrounds, fix restrooms, improve access for the disabled, and ensure the seismic safety of park and recreation facilities, shall the City and County of San Francisco issue \$195 million dollars in General Obligation bonds, subject to independent oversight and regular audits?

The measure passed with 72 percent support.

Appendix K: Successful Park and Conservation Sales Tax Ballot Language

City of San Luis Obispo, San Luis Obispo County. November 2014.

CITY OF SAN LUIS OBISPO

YES NO

MEASURE G-14

To protect and maintain essential services and facilities -- such as open space preservation; bike lanes and sidewalks; public safety; neighborhood street paving and code enforcement; flood protection; senior programs; and other vital services and capital improvement projects -- shall the City's Municipal Code be amended to extend the current one-half percent local sales tax for eight years, with independent annual audits, public goal-setting and budgeting, and a Citizens' Oversight Commission?

The measure passed with 70 percent support. Voters approved the initial increase in 2006.

Appendix L: Local Election Results

Fresno County Public Finance Ballot Measure Results							
Date	Jurisdiction	Description	Mechanism	Result	% Yes	% No	County/ Jurisdiction
November 2014	County of Fresno	Measure Z: 10 year , 1/10 cent Extension for Zoo.	Transactions and Use Tax (Add-on Sales Tax) - Special Tax - Two-Thirds Approval Required	PASS	75.2%	24.83%	71.3% 28.7%
June 2014	County of Fresno	Measure A: Vehicle Registration Tax to fund abatement and removal of abandoned vehicles	Vehicle Registration Tax	FAIL	53.5%	46.48%	50.7% 49.3%
November 2012	County of Fresno	Measure B: 1/8 cent sales tax extension for 16 years, for libraries.	Transactions and Use (Add on Sales Tax) - Special Tax - 2/3 Approval Required	FAIL	76.86%	23.14%	71.8% 28.3%
November 2010	Fresno Unified School	Measure Q: \$280 million bond for schools.	School Bond Measures - 55% approval Required	PASS	82.14%	17.86%	74.8% 25.2%
November 2008	County of Fresno	Measure L: 1/8 cent increase for Libraries, 16 years.	Special Transactions and Use Measures (2/3 voter approval required)	FAIL	67.50%	32.50%	62.4% 37.6%
November 2006	County of Fresno	Measure C: 20 year extension of 1/2 cent countywide transportation sales tax measure	Countywide transportation sales Tax Measures (2/3 approval required)	PASS	79.89%	20.11%	77.7% 22.3%
November 2004	County of Fresno	Measure J: 6 percent transient occupancy (Hotel/Motel) tax.	Transient Occupancy (Hotel/ Motel) Taxes - Special Tax - 2/3 Approval Required	FAIL	N/A	N/A	44.1% 55.9%
November 2004	County of Fresno	Measure B: 1/8 cent renewal for 7 years, for Libraries	Special Transactions and Use Measures (2/3 approval required)	PASS	N/A	N/A	71.0% 29.0%
November 2004	County of Fresno	Measure Z: 1/10 cent sales tax increase for zoo.	Special Transactions and Use Measures (2/3 voter approval required)	PASS	N/A	N/A	72.9% 27.1%
November 2002	County of Fresno	Measure C: Extend 1/2 percent transportation sales tax rate for 30 years	Transactions & Use Tax - Countywide Transportation (Special Tax - 2/3 Approval Required)	FAIL	N/A	N/A	53.7% 46.3%
November 2002	County of Fresno	Measure E: 1/10 percent sales tax increase for zoos, 7 years.	Transactions and Use Tax (Special Tax - 2/3 Approval Required)	FAIL	N/A	N/A	56.5% 43.5%
November 2000	City of Fresno	Measure C: Hotel Tax	Transient Room Tax - Increase from 12% to 13%	FAIL	29.8%	70.2%	- -

Appendix M: Selected Ballot Language for Fresno-Area Public Finance Measures

November 2014 Fresno County: Fresno Chaffee Zoo Sales Tax, Measure Z

To ensure the continuing success of Fresno Chaffee Zoo by providing necessary funding for repairs and maintenance, improved animal care, continuing the zoo's Species Survival and Children's Education Programs, maintaining low entrance fees, improving visitor amenities, and providing animals with safer more spacious natural habitats; shall Fresno County voters extend the existing 1/10th of one percent sales tax for ten additional years, with all proceeds exclusively for Fresno Chaffee Zoo?

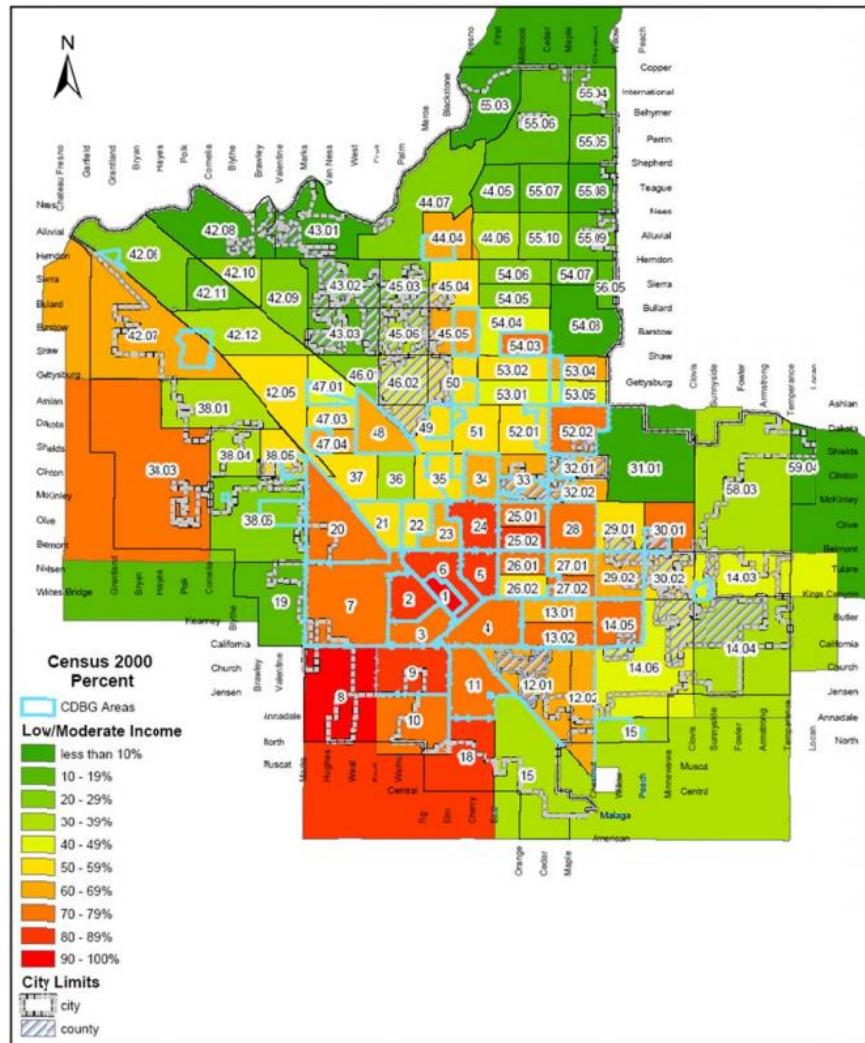
The measure passed with 72.26 percent of the vote.

November 2012 Fresno County: Library Sales Tax, Measure B

To protect libraries from state budget cuts by preventing library closures and reduced library hours; keeping qualified librarians; improving reading/literacy, job search programs/computer technology; providing neighborhood school-library joint programs, and maintaining services for children, seniors and the blind, shall Fresno County voters continue the voter-approved 1/8-cent sales tax for neighborhood libraries for sixteen years, with audits, citizen's oversight, all funds staying in Fresno County and no tax rate increase?

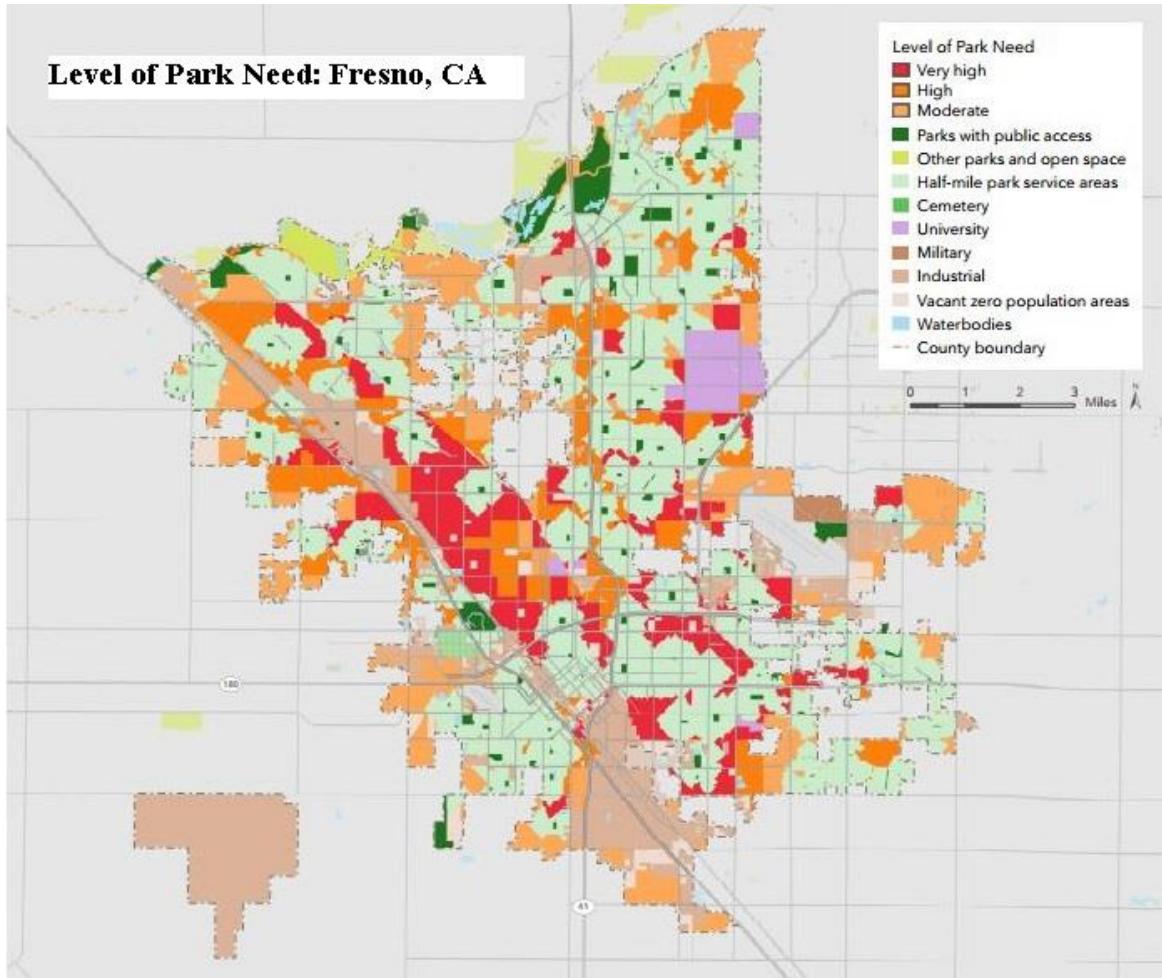
The measure passed with 71.8 percent of the vote.

Appendix N: Concentration of Low and Moderate Income Populations¹⁴⁴



¹⁴⁴ From Appendix A of City of Fresno Annual Action Plan. http://www.fresno.gov/NR/rdonlyres/71CA4A8E-D2F4-4199-BA9D-7D889441E319/0/FY2015AnnualActionPlan_Final.pdf Accessed May 25, 2016.

Appendix O: The Trust for Public Land's ParkScore Analysis



With any questions or for more information please contact:

Amanda Brown-Stevens
Associate Conservation Strategies Director - West
The Trust for Public Land
Office: 415-800-5287
Cell: 510-816-2978
Amanda.BrownStevens@tpl.org

or

Andrew Flynn
Conservation Finance Research Associate
The Trust for Public Land
415-800-5270
Andrew.Flynn@tpl.org

www.tpl.org